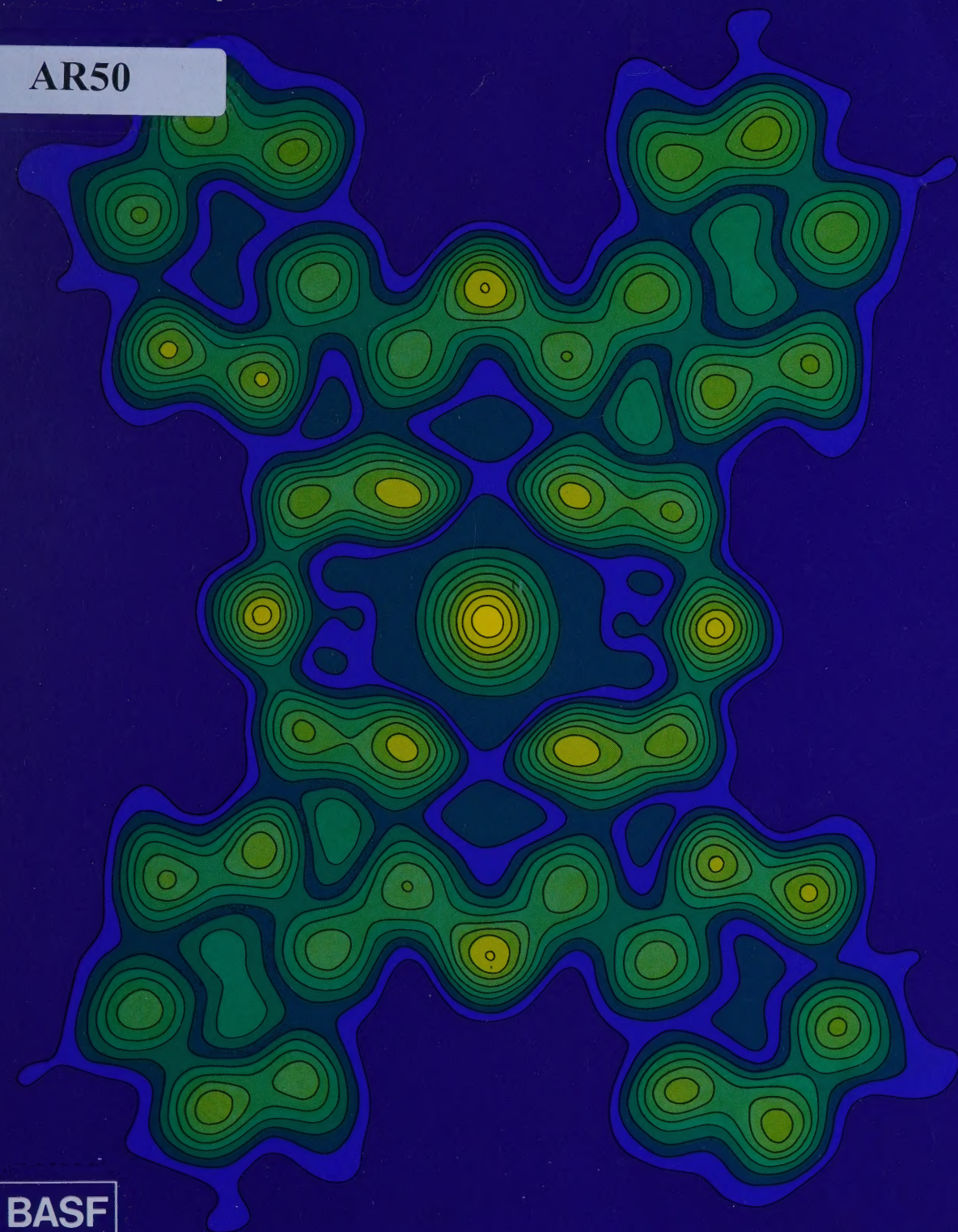


# Annual Report 1975

AR50



BASF

# At a Glance

in million DM	1973	1974	1975
<b>BASF World Sales<sup>1</sup></b>	<b>15,950</b>	<b>21,947</b>	<b>20,015</b>
<b>BASF Group<sup>1</sup></b>			
Sales	14,258	19,736	18,081
Net income (after taxes and minority interests)	514	519	375
— per share in DM	16.68	15.82	11.29
— in percent of sales	3.6	2.6	2.1
Capital expenditures on tangible fixed assets	1,170	1,394	1,396
Depreciation on tangible fixed assets	1,089	1,218	1,190
Number of employees	107,539	110,989	111,445
<b>BASF Aktiengesellschaft</b>			
Sales	6,905	10,157	8,394
Net income (after taxes)	301	359	273
— per share in DM	9.78	10.94	8.21
— in percent of sales	4.4	3.5	3.3
Dividend payout	246	279	233
— per share in DM	8.00	8.50	7.00
Capital expenditures on tangible fixed assets	620	784	625
Depreciation on tangible fixed assets	496	579	555
Number of employees	52,230	54,065	52,707

<sup>1</sup> BASF world sales represent the total consolidated net sales of all companies in the BASF Group, i. e. the sales of the 50-percent-owned companies are included in full. (All sales data excludes value-added or similar taxes.

The BASF Group takes into account BASF Aktiengesellschaft and all companies which are at least 50 percent owned by BASF Aktiengesellschaft or its majority holdings, as well as the majority holdings of companies in which a 50 percent participation is held.

The accounting includes majority holdings in full, and half of the 50 percent participations and their majority holdings. Intercompany items have been eliminated. Group companies of minor importance are not consolidated.

The cover design is based on an electron density map of a phthalocyanine crystal



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Wednesday, June 30, 1976, 10:00 a. m.  
at the BASF Feierabendhaus  
Leuschnerstraße 47  
Ludwigshafen/Rhine, West Germany

### Agenda

1. Presentation of the Financial Statements of BASF Aktiengesellschaft and BASF Aktiengesellschaft and its Consolidated German Subsidiaries; Presentation of the Annual Reports of BASF Aktiengesellschaft and BASF Aktiengesellschaft and its Consolidated German Subsidiaries; Presentation of the Supervisory Board Report
2. Declaration of dividend
3. Ratification of the actions of the Supervisory Board
4. Ratification of the actions of the Board of Executive Directors
5. Election of a new Supervisory Board member
6. Appointment of Auditors for the Fiscal Year 1976

The complete agenda with proposed resolutions appears in the May 21, 1976 issue of the Bundesanzeiger No. 96

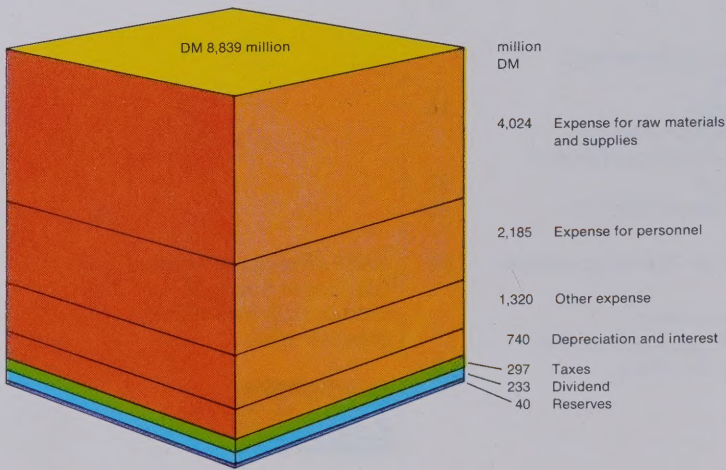
BASF Aktiengesellschaft  
Carl-Bosch-Straße 38  
6700 Ludwigshafen/Rhine,  
West Germany

**BASF**

# Business in 1975

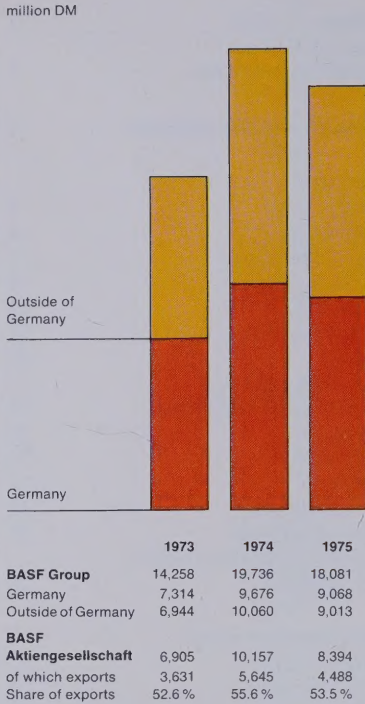
The worldwide economic decline, which began in the fall of 1974 as a result of the multiple increase of crude oil prices, burdened many of our business activities in Germany and abroad. The demand for our products was depressed because customers had to reduce large inventories. Balance of payments difficulties in many countries impeded exports. We were forced to operate some plants below the break-even point and to shut others down temporarily. The intensified competition in the marketplace led to price pressures and substantially lower earnings. To meet this situation we concentrated on securing our business and maintaining employment levels. Accordingly we intensified our sales efforts, reduced inventories and provided for adequate liquidity. Nevertheless short-work weeks had to be introduced temporarily in some sectors of our operations. At year-end domestic demand began to increase slightly. Business developed unevenly. Plastics, oil refining and coatings incurred declines. Crop protection products, chemicals and pharmaceutical specialties fared better. Our position in

## BASF Aktiengesellschaft Application of Total Revenue\* in 1975



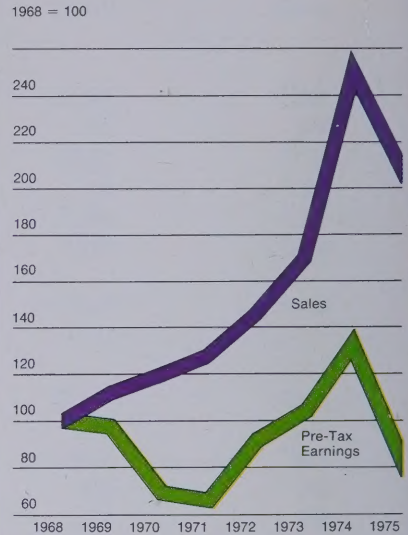
\* = sales + other revenue according to items 4 and 7-15 of the Income Statement

## BASF Group Sales



pharmaceuticals was strengthened with the acquisition of the majority holding in Knoll AG, Ludwigshafen, one of the

## BASF Aktiengesellschaft Pre-Tax Earnings and Sales

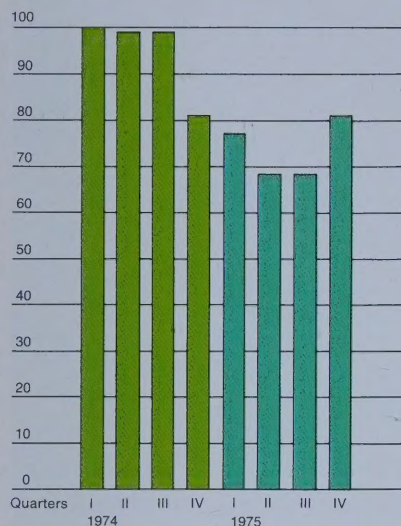


leading pharmaceutical companies in the Federal Republic of Germany. BASF Aktiengesellschaft now holds a 72 percent interest in Knoll AG. On the whole sales of the BASF Group decreased 8.4 percent to DM 18,081 million. Compared to the preceding year sales were 6.3 percent lower in Germany, 10.4 percent abroad. Sales of products manufactured locally by our companies abroad reached DM 3,953 million, equaling the level achieved in the previous year. Earnings before income taxes and minority interests decreased 36.5 percent to DM 849 million, earnings after taxes and minority interests 27.7 percent to DM 375 million. Sales of BASF Aktiengesellschaft totaled DM 8,394 million, a decrease of 17.4 percent. The share of exports in the company's sales dropped from 55.6 percent to 53.5 percent. Compared to the previous year pre-tax earnings declined 37.8 percent to DM 557 million, after-tax earnings 24 percent to DM 273 million. Of this total, only DM 40 million, half the preceding year's amount, could be transferred to the free reserve. Compared to the previous year we propose to reduce the dividend and to distribute DM 7.00 per share.



## Average Plant Utilization BASF Aktiengesellschaft

1st quarter, 1974 = 100



### Outlook

The slow economic recovery evident at year-end has continued into the first months of 1976 and distinctly affected operations in Germany and the U. S. Monetary problems impair business in principal European markets and particularly exports to Latin America and Africa where balance of payments difficulties and high inflation rates jeopardize trade.

## Financial Review

The decline in business is also reflected in the tables on pages 4 and 5 showing the source and application of funds.

The cash flow of the BASF Group decreased DM 952 million. Additions to fixed assets, higher by DM 125 million, were nevertheless almost fully covered by internal financing. In the year under report there were no financing requirements arising from current assets; instead inventories were reduced by specific measures. The upswing at year-end, which had become apparent in the U. S. several months earlier, resulted in a slight increase of receivables. Liabilities decreased DM 151 million. The ratio of equity capital to total assets of the BASF Group improved from 32.2 percent to 32.8 percent, although total assets increased.

Compared to the preceding year the source and application of funds of BASF Aktiengesellschaft corresponded largely to the development in the BASF Group. Cash flow and application of funds decreased substantially. Additions to tangible fixed assets and to investments were almost fully covered by internal financing and equity capital raised in connection with the acquisition of the majority interest in Knoll AG. Current assets were adjusted to the business downturn. The funds gained therefrom and additional funds from the decrease of cash items were used for the repayment of liabilities. As a result total assets decreased DM 406 million and the financial structure improved. The ratio of equity capital to total assets increased from 44 percent to 47 percent.

### Earnings of the BASF Group million DM

	1974	1975
Earnings before income taxes <sup>1, 2</sup>	1,338	849
Income taxes <sup>2</sup>	801	489
Minority interests	18	(15)
Net income	519	375

### Earnings of BASF Aktiengesellschaft and appropriation of net income million DM

Earnings before EEV and LA-VA taxes <sup>3</sup>	896	557
EEV and LA-VA taxes	537	284
Net income	359	273
Dividend	279	233
Retained earnings	80	40

### Earnings per share (nominal value DM 50.00) DM

<i>BASF Group</i>		
Earnings before income taxes	40.77	25.55
Net income	15.82	11.29
<i>BASF Aktiengesellschaft</i>		
Earnings before EEV and LA-VA taxes	27.30	16.76
Net income	10.94	8.21
Dividend	8.50	7.00
Number of shares outstanding entitled to dividend (in 1000s)	32,820	33,240

<sup>1</sup> Before minority interests

<sup>2</sup> Principally corporation and trade profit taxes

<sup>3</sup> Taxes on income, profit and property (trade, payroll, corporation, real estate, property taxes) and Equalization of Burdens Property Tax



**BASF Group**  
**Source and Application of Funds**  
million DM

	1974	1975		1974	1975
<b>Source of funds</b>			<b>Application of funds</b>		
Net income	519	375	Additions to tangible fixed assets	1,394	1,396
Depreciation and retirement of fixed assets <sup>2</sup>	1,538	1,323	Changes in investments <sup>1</sup>	133	256
Other items <sup>3</sup>	797	204	<b>Additions to fixed assets</b>	<b>1,527</b>	<b>1,652</b>
<b>Cash flow</b>	<b>2,854</b>	<b>1,902</b>	Change in inventories <sup>4</sup>	1,260	(165)
Minus dividend of BASF Aktiengesellschaft of 1974	246	279	Change in receivables <sup>5</sup>	145	161
<b>Internal financing</b>	<b>2,608</b>	<b>1,623</b>	<b>Change in current assets (without liquid funds)</b>	<b>1,405</b>	<b>(4)</b>
Increase in paid-in capital	83	82	<b>Increase in liquid funds</b>	<b>8</b>	<b>—</b>
Bonds, debentures raised	436	76			
Bonds, debentures redeemed	(66)	(97)			
Change in long-term liabilities	(731)	(138)			
Change in short-term liabilities and accruals	684	8			
<b>External financing</b>	<b>406</b>	<b>(69)</b>			
Other changes <sup>6</sup>	(74)	57			
<b>Decrease in liquid funds</b>	<b>—</b>	<b>37</b>			
	<b>2,940</b>	<b>1,648</b>		<b>2,940</b>	<b>1,648</b>

**Structure of Assets and Liabilities in 1975**

<b>Assets</b>			<b>Capital and liabilities</b>		
	million DM	percent		million DM	percent
Tangible fixed assets, concessions, patents, and similar rights	6,667	44.8	Paid-in capital	3,091	20.8
Investments and long-term loans	763	5.1	Earned surplus	1,657	11.1
<b>Fixed assets</b>	<b>7,430</b>	<b>49.9</b>	Minority interests	133	0.9
Inventories <sup>4</sup>	3,041	20.4	<b>Equity capital</b>	<b>4,881</b>	<b>32.8</b>
Receivables	3,095	20.8	Special reserves	414	2.8
Cash and cash items <sup>7</sup>	930	6.2	Unrealized gains on foreign exchange	226	1.5
<b>Current assets</b>	<b>7,066</b>	<b>47.4</b>	Long-term liabilities	4,988	33.5
Deferred charges and prepaid expenses	243	1.6	Short-term liabilities	4,391	29.4
Balance arising from consolidation	161	1.1	<b>Total liabilities</b>	<b>9,379</b>	<b>62.9</b>
<b>Total assets</b>	<b>14,900</b>	<b>100.0</b>	<b>Total capital and liabilities</b>	<b>14,900</b>	<b>100.0</b>

**Financial Ratios**  
**BASF Group**

<b>Acid-test ratio</b>	0.9
short-term receivables <sup>8</sup> plus liquid funds: short-term liabilities <sup>9</sup>	
<b>Current ratio</b>	1.5
current assets <sup>8</sup> : short-term liabilities	
<b>Long-term financing ratio</b>	1.3
long-term capital: non-current assets <sup>10</sup>	

**BASF Aktiengesellschaft**

<b>Acid-test ratio</b>	0.9
short-term receivables <sup>8</sup> plus liquid funds: short-term liabilities <sup>9</sup>	
<b>Current ratio</b>	1.6
current assets <sup>8</sup> : short-term liabilities	
<b>Long-term financing ratio</b>	1.2
long-term capital: non-current assets <sup>10</sup>	

<sup>1</sup> including additions to non-current assets due to newly acquired companies, additions to deferred charges and intangible assets, minus redemption of loans

<sup>2</sup> including deferred charges and balance arising from consolidation

<sup>3</sup> essentially change in long-term provisions and special reserves

<sup>4</sup> including products on lease and uncompleted contracts

<sup>5</sup> including prepaid expenses

<sup>6</sup> attributable to companies no longer included in the consolidation, additions to long-term liabilities due to the inclusion of new companies, other changes in fixed assets and decrease of unrealized gains on foreign exchange

<sup>7</sup> excluding bills receivable, according to Group financial statements

<sup>8</sup> including prepaid expenses

<sup>9</sup> short-term: payable or due within one year from the balance sheet date (including dividend to be paid)

<sup>10</sup> long-term: payable or due after more than one year from the balance sheet date



**BASF Aktiengesellschaft**  
**Source and Application of Funds**  
million DM

	1974	1975
<b>Source of funds</b>		
Net income	359	273
Depreciation and retirement of fixed assets	733	679
Other items <sup>1</sup>	622	139
<b>Cash flow</b>	<b>1,714</b>	<b>1,091</b>
Minus dividend of 1974	246	279
<b>Internal financing</b>	<b>1,468</b>	<b>812</b>
Increase in equity capital	50	82
Bonds raised incl. adjustment to foreign exchange rates	401	3
Bonds, debentures redeemed	(276)	(42)
Change in long-term liabilities	(622)	(405)
Change in short-term liabilities and accruals	572	(175)
<b>External financing</b>	<b>125</b>	<b>(537)</b>
<b>Decrease in liquid funds</b>	<b>8</b>	<b>264</b>
	<b>1,601</b>	<b>539</b>

**Application of funds**

Additions to tangible fixed assets	784	625
Changes in investments	114	313
<b>Addition to fixed assets</b>	<b>898</b>	<b>938</b>
Change in inventories <sup>2</sup>	504	(153)
Change in receivables <sup>3</sup>	199	(246)
<b>Changes in current assets (excluding liquid funds)</b>	<b>703</b>	<b>(399)</b>
	<b>1,601</b>	<b>539</b>

**Structure of Assets and Liabilities in 1975**

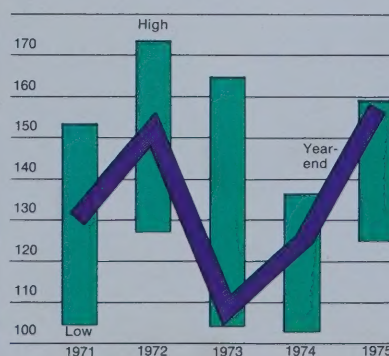
Assets	million DM	percent
Tangible fixed assets	2,608	30.8
Investments and long-term loans	2,713	32.0
<b>Fixed assets</b>	<b>5,321</b>	<b>62.8</b>
Inventories <sup>2</sup>	1,212	14.3
Receivables <sup>3</sup>	1,524	18.0
Cash and cash items	413	4.9
<b>Current assets</b>	<b>3,149</b>	<b>37.2</b>
<b>Total assets</b>	<b>8,470</b>	<b>100.0</b>

Capital and liabilities	million DM	percent
Capital stock	1,723	20.3
Surplus reserves plus profit available for dividend	2,258	26.7
<b>Equity capital</b>	<b>3,981</b>	<b>47.0</b>
Special reserves	192	2.3
Valuation adjustments	43	0.5
Long-term liabilities	2,559	30.2
Short-term liabilities	1,695	20.0
<b>Total liabilities</b>	<b>4,254</b>	<b>50.2</b>
<b>Total capital and liabilities</b>	<b>8,470</b>	<b>100.0</b>

**BASF Shares**

BASF shares are quoted on stock exchanges in Frankfurt/Main, Berlin, Bremen, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart. Abroad, they are listed on stock exchanges in Zurich, Basel, Geneva, Paris, Brussels, Antwerp, Amsterdam and Vienna. The adjacent graph shows for 1971–1975 the highest, lowest and year-end quotations for BASF shares on the Frankfurt stock exchange.

**BASF Stock Index<sup>1</sup>**  
**DM/share (nominal value of DM 50)**



<sup>1</sup> change in long-term provisions and special reserves minus valuation adjustments

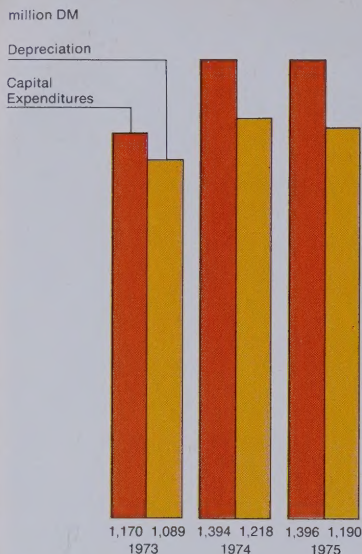
<sup>2</sup> including products on lease and uncompleted contracts

<sup>3</sup> including deferred charges and prepaid expenses

<sup>1</sup> adjusted to the capital increase from corporate funds and the 1974 bond



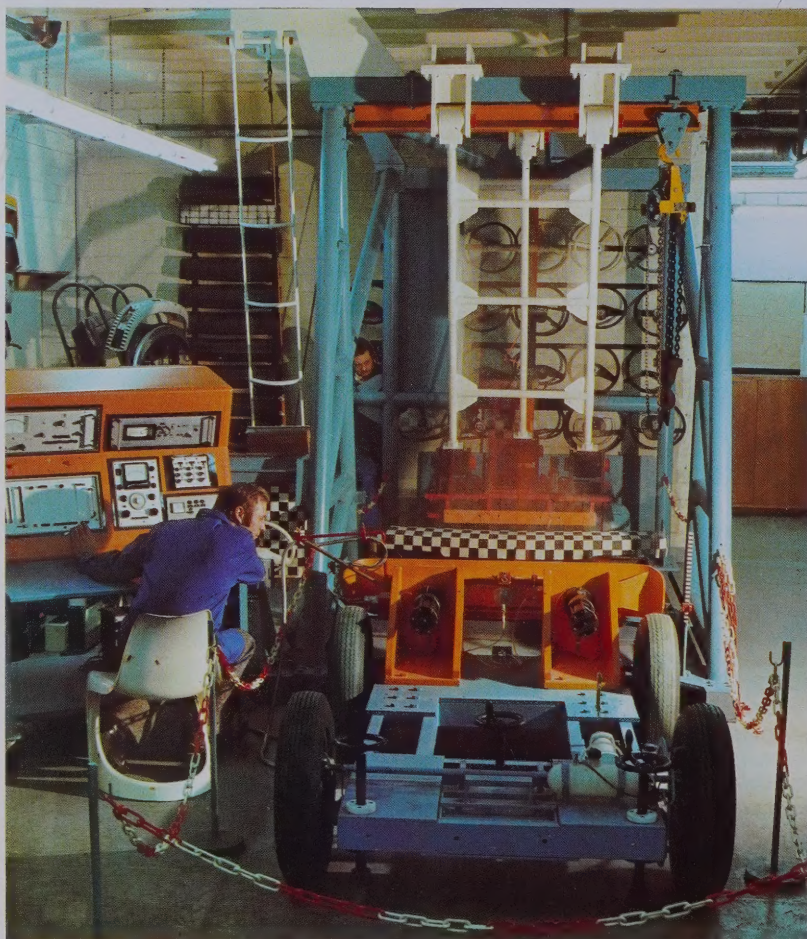
## BASF Group Capital Expenditures and Depreciation



## Capital Expenditures

In 1975 expenditures on tangible fixed assets of the BASF Group amounted to DM 1,396 million, equal to the previous year's level. Of this amount DM 958 million were spent in Germany, DM 195 million at other European sites and DM 243 million overseas, primarily in the U. S.

Capital expenditures were targeted on the one hand toward the production of highly sophisticated products, such as dyestuffs, auxiliaries, organic chemicals and specialty plastics, and on the other toward the supply of raw materials in the field of Oil and Gas as well as Potash and Salts. In addition a major share, DM 200 million, was committed to environmental protection facilities. All projects in work progressed on schedule. Only in business areas with significantly underutilized plants a few projects were postponed. The enactment of a law in 1974 governing environmental standards in Germany caused our domestic affiliates to accept more comprehensive procedures for government approval of investment projects. Consequently personnel requirements are higher, planning and approval periods longer. Specific investment projects are described in the reports on Operations. Capital expenditures on tangible fixed assets of BASF Aktiengesellschaft totaled DM 625 million.



Impact pendulum to measure simulated automobile crashes. Together with automotive companies BASF developed shock-absorbing bumper systems incorporating plastics

A prefabricated column being erected for the new neopentylglycol plant in the Ludwigshafen Works



## Research and Development

Industrial research serves to secure the competitiveness of a company in existing markets and to open new fields of endeavor. It contributes significantly to the success of the company and the job security of its employees.

Characteristically research in the chemical industry, which is engaged in the conversion of substances, has to develop a special process and specific application technology for each product.

As a rule given problems lack direct clues in respect to the type of product and its manufacture. For example, the challenge to develop an environmentally-compatible and safe crop protection product yields no

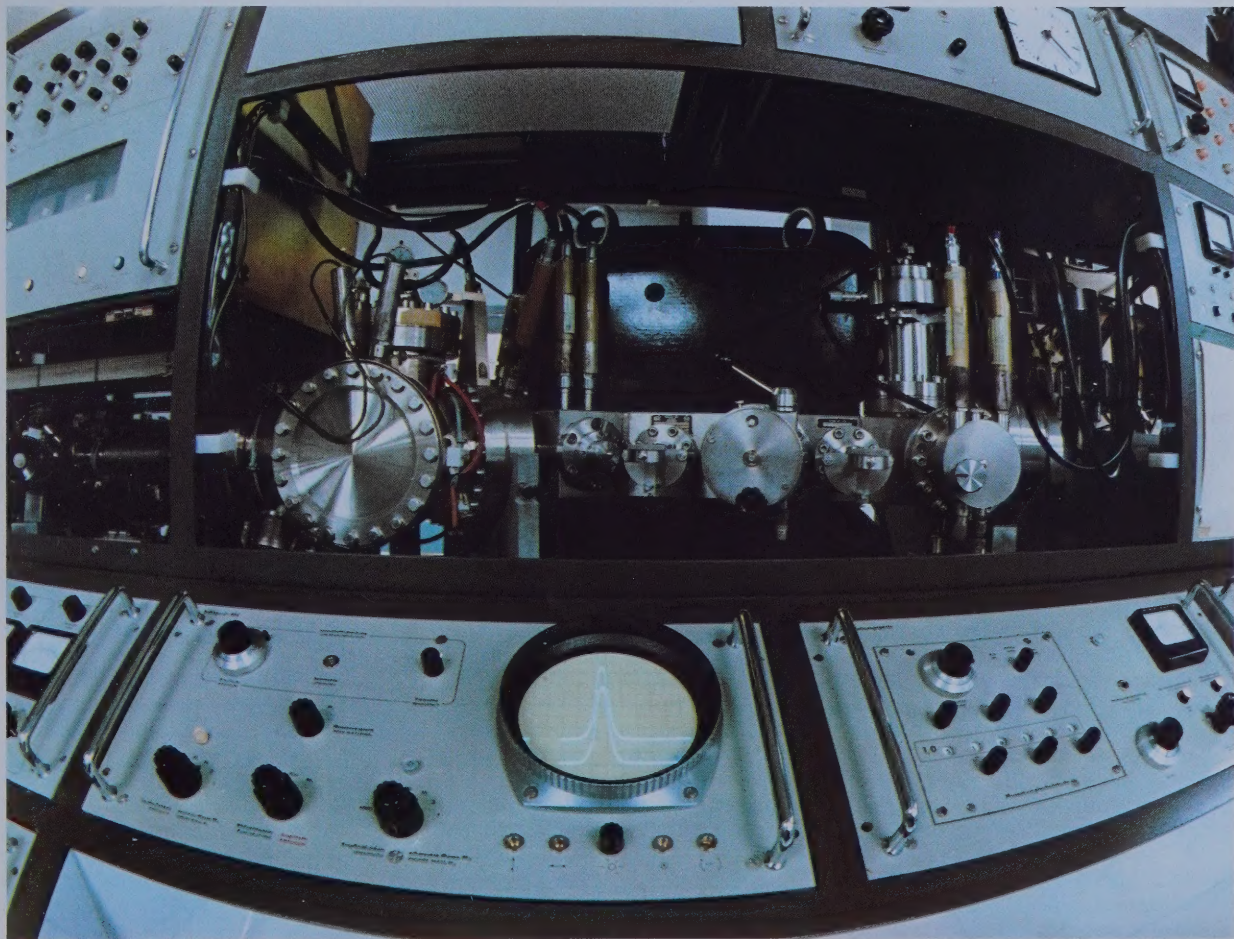
information about the chemical structure of the agent or the production process. In each instance comprehensive scientific investigations must be conducted together with experts in the respective disciplines. That makes chemical research complex and expensive, but it also provides the opportunity to gain the competitive edge. Since chemistry extends into all areas of human life, be it nutrition, health, clothing, housing and even recreation or education, research of a chemical company covers a broad spectrum.

For this reason substantial funds are required for research and development. In 1975 the BASF Group spent DM 634 million, 22.9 percent more than in the preceding year. The rise is in part attributable to the inclusion of Knoll AG and the significantly higher research outlays of Wintershall AG. BASF Aktiengesellschaft alone accounted for DM 471 million. Expenditures of the

BASF Group on construction and equipment of laboratories and pilot plants totaled DM 80 million.

The number of employees in research and development changed insignificantly compared to the previous year and totaled 10,200 at year-end, including 1,600 with university degrees in science.

Specific results of our research work are highlighted in the respective reports under Operations.



Mass spectrometer in a laboratory of the Ludwigshafen Works for determining the structure of organic compounds



# Operations

## Energy

The company produces most of its steam and electricity requirements from bituminous coal and heavy fuel oil. In addition we utilize excess heat from chemical reactions and heat generated by incineration of solid, liquid and gaseous residues; these sources alone cover about 30 percent of the energy required by the Ludwigshafen Works. In compliance with the third German law covering electric power generation, bituminous coal contributes substantially to the energy supply of BASF Aktiengesellschaft. It provides another 30 percent of the company's power needs. The coal is supplied exclusively from the mines of Gewerkschaft Auguste Victoria, a subsidiary. The remaining 40 percent are generated from heavy fuel oil. More than half is piped from the refinery of our subsidiary Erdöl-Raffinerie Mannheim GmbH, located directly across the Rhine from the Ludwigshafen Works.

In 1975 bituminous coal output of the Auguste Victoria mine totaled 2.68 million metric tons, an increase of 11.4 percent compared to the preceding year. Preparations for mining the 5th seam were completed in the spring after several years of work. At the same time the mine's ventilation system was converted and improved. In the year under report, output reached the highest volume since 1965.

BASF Kraftwerk Marl GmbH, a subsidiary, is fueled exclusively with coal from the Auguste Victoria mine which is located adjacent to the utility. Of the 1,334 million kilowatt hours generated, 1,188 million kilowatt hours were transmitted via the RWE grid to the Ludwigshafen Works and 50 million kilowatt hours to the Auguste Victoria mine.

## Oil and Gas

Unfavorable petroleum market conditions impaired the business conducted by Wintershall AG and its affiliates. Demand for petroleum products decreased, in particular for heavy fuel oil. Imports of low-price fuel oils and gasoline intensified competition in the German market. We had to cut back crude oil throughput by 8 percent to 9 million metric tons. Only 67 percent of domestic refining capacities were utilized. Heavy losses were incurred due to inadequate prices. Crude oil production totaled 1.52 million metric tons. The continuing depletion of domestic fields reduced output in Germany by 8.6 percent to 0.82 million metric tons. Production at the Dubai concession, in which we hold a 5 percent interest, was impeded by a fire. Nevertheless our share totaling 0.64 million metric tons represented an increase of 5 percent compared to the previous year. Decreased demand for natural gas in Germany lowered output to 1.8 billion cubic meters, 10 percent less than in the preceding year. Exploration in the Federal Republic of Germany concentrated on geological and seismic investigations. Exploration abroad was substantially intensified. In the Greek Aegean Sea another well struck oil. Development of the field is being started. Preparatory work on the natural gas finds off the Dutch coast was completed in the beginning of 1976 and production started in February.

Capital expenditures focused on the completion of plants for desulfurizing light heating oil at our refineries in Antwerp and Mannheim. In addition a plant for the production of low-lead gasoline was put into operation in Mannheim. A hydrocracker, now under construction at our Lingen refinery, will reduce the share of heavy products in crude oil processing and permit production of low-lead gasoline.

No decision has been reached in the proceedings for a judicial review of the adequacy of the compensation offered in the control agreement between BASF and Wintershall. Nor is there a decision in the proceedings concerning the adequacy of the compensation paid upon the inclusion of Wintershall AG into BASF Aktiengesellschaft.

## BASF Group Sales by Product

	million DM	percent	
Oil and Gas	3,105	17.2	
Plastics	2,946	16.3	
Chemicals	2,003	11.1	
Fertilizers	1,896	10.5	
Dyestuffs and Auxiliaries	1,498	8.3	
Potash and Salts	1,053	5.8	
Fibers	793	4.4	
Basic Chemicals	724	4.0	
Dispersions	711	3.9	
Coatings	698	3.9	
Crop Protection	664	3.7	
Magnetic Recording Media and Nyloprint	653	3.6	
Special Colors	320	1.7	
Pharmaceuticals <sup>1</sup>	180	1.0	
Miscellaneous	837	4.6	
	18,081	100.0	

<sup>1</sup> including, as of October 1, 1975, DM 60 million sales of Knoll Group





### Basic Chemicals

Basic chemicals, such as ethylene, ammonia, methanol, sulfuric acid and chlorine, are converted from simple raw materials like natural gas, crude oil fractions, sulfur and rock salt in huge plants using highly-sophisticated technology. Practically all of the output is used captively for further processing. Particularly those facilities supplying intermediates for plastics, adhesive and dyestuff production operated at low levels. In some instances temporary shutdowns were required. Resulting underutilization increased product cost substantially. Despite greater competition sales of inorganic products and catalysts to third parties held almost at the previous year's level. Following a protracted permit procedure the construction of additional production facilities for melamine, an important intermediate for adhesives and resins, was started.

### Potash and Salts

Business in this sector is conducted by Kali und Salz AG.

At the beginning of the year demand was still high, but then dropped suddenly in March, particularly in export markets. To adjust output to the changed market conditions, production had to be cut back by 349,000 metric tons to 1,975,000 metric tons  $K_2O$ . Consequently short-work weeks had to be instituted from time to time.

The decline in demand for potash fertilizers was largely attributable to high inventories held by customers. In the spring adverse weather conditions limited the use of fertilizers in Western Europe and North America, our principal markets. Business in Germany was less affected. Demand for Thomaskali held steady throughout the year.

Even at year-end no improvement in business was evident.

In spite of stronger competition potash

prices which helped to offset, in part, higher costs of personnel, raw materials and energy, were largely stable worldwide until year-end. Since then price deterioration has been noted in important overseas markets. Sales of Kali und Salz AG rose slightly compared to the preceding year to DM 984 million. At the Wintershall Works a plant for electrostatic separation of crude potash is under construction. The process developed by Kali und Salz AG decreases the volume of the rock salt-bearing effluent substantially. Production capacities for commercial magnesium chloride liquors are being expanded at the Salzdetfurth Works. Here, too, the improvement in the treatment of crude carnallite reduces the effluent flow considerably. Alwinal Potash of Canada Ltd., Lanigan, a Canadian subsidiary, continued work on a second shaft and debottlenecked facilities above and below ground. The outcome of the





government of the Province Saskatchewan's plans to nationalize the potash industry cannot be foreseen.

The association for the protection of small stockholders (Schutzgemeinschaft der Kleinaktionäre) filed an appeal in connection with the contesting action brought against the capital increase of Kali und Salz AG of July 13, 1972. The plea of nullity against this capital increase and decisions in connection therewith has not yet been adjudicated. The plea was extended to include the statements of the 1971 financial reports of Salzdetfurth AG.

#### **Fertilizers**

Sales and earnings in 1975 did not reach the previous year's level principally due to unfavorable developments in markets outside of Europe. In Germany business in nitrogenous fertilizers, particularly grades containing magnesium, increased,

favoring in the spring by the lack of imports from East Bloc countries which, however, returned in strength during the second half of the year. The full impact of higher rock phosphate costs, which began to be felt in the year under report, prompted a decline in demand for phosphoric one-component or multi-component fertilizers. Our agricultural service counseled customers on the disadvantages of unbalanced crop nutrition. In Europe we consolidated our position, particularly in complex nitrogenous fertilizers. As in Germany, business was hampered by imports from rock phosphate producing countries. Outside of Europe high inventories, stronger competition and shortages of foreign currencies in some countries, led to a decline in demand and depressed prices. For these reasons, too, overseas exports, primarily of ammonium sulfate, lagged. On the whole output was adjusted to

demand. PEC-Rhin and Gewerkschaft Victor increased production of nitrogenous one-component fertilizers. In the first six months of the year our plants operated at satisfactory levels, but at lower rates in the second half. The trend continued into the first months of 1976.

Marketing of phosphoric fodders was intensified, particularly in exports.

Earnings were satisfactory.

The selection of horticultural products marketed by COMPO GmbH, Münster-Handorf, was expanded and strengthened in the domestic market; unsatisfactory exports were abandoned. As a result, earnings improved.

Capital expenditures concentrated on storage and shipping efficiencies. Continued improvements in production technology permit greater flexibility in the choice of raw materials and cost reductions.

Mining potash in a seam of the Neuhoof-Ellers mine of Kali und Salz AG





### Crop Protection

Sales rose satisfactorily in 1975. Above-average growth rates characterized our business with COMECON and overseas countries. Herbicides, followed by fungicides, scored the biggest gains. Intensified competition, particularly in standard products, depressed prices. Rising raw material costs were partly absorbed by price increases for specialties.

The acceptance accorded the post-emergence herbicide Basagran® in principal soybean and rice growing regions benefitted overseas business substantially. Pyramin® secured its position as the leading sugar beet herbicide in Europe. Demand for Calixin®, a special grain fungicide, increased. In view of the growth potential of the crop protection market we expanded our research and development facilities. Particularly in developing countries it is essential to inform customers about safe and

effective application of crop protection products. Basalin®, a newly-developed herbicide for soybeans and cotton, is being introduced in the North American market.

Liquid nitrogenous fertilizers ease the farmers' work





## Plastics

Sales of most of our plastic lines were 20 to 25 percent lower in volume than in the previous year due to inventory reductions and lower demand in reaction to higher prices dictated by rising raw material costs, economic difficulties in major markets and material savings instituted by customers. The underutilization of production facilities throughout the plastics industry intensified competition and depressed prices. After all possibilities to recover costs through efficiency measures had been exhausted, prices were adjusted in September.

Demand for plastics is expected to grow but at a slower pace than in preceding years. A return to conventional materials has been hardly noticeable. Changes in the composition and structure of plastics provide the opportunity to offer engineering materials with specific characteristics.

Certainly the limits to the development of synthetic materials have not been reached. In contrast to other materials plastics have the advantage that in further processing several manufacturing steps can often be combined into one. Such efficiencies have also not been fully exploited.

## Polyolefines

Brisk competition in low-density polyethylene led to drastic price deterioration. Our affiliates, primarily Rheinische Olefinwerke GmbH, Wesseling, incurred losses. Finally, in the fall, we succeeded in improving proceeds.

Despite the downturn in business we intensified development of new product applications and enhanced our market position by introducing new processing technologies for our grades; for example, packaging systems combining Lupolen® shrink film with Styropor® corner guards; blow molder

modification for better control of film thickness.

Our high-density Lupolen grades are well established as engineering materials for large containers such as heating oil tanks. Now the product range has been expanded to include added grades for the manufacture of small containers. At Rheinische Olefinwerke facilities for the production of 15,000 metric tons per year of high-density Lupolen were completed. The plant uses a new BASF-developed gas phase process characterized by simple technology, low catalyst consumption and high environmental compatibility. Additions to our expanding Novolen® line included a grade for glassfiber reinforced engineering parts.

## Polystyrene

Styrene polymers, traditionally one of our major business areas, lagged in volume until the fall. The resulting underutilization of capacities necessitated some temporary shutdowns and short-work weeks. Styrene polymers are primarily used for packaging foods and as engineering parts by the electrical, automotive, household appliance and furniture industries. By adding fast-flowing grades to our standard and impact-resistant types of polystyrene we continued to strengthen our leadership in this market. The new grades tailored to high-speed injection molding permit significantly higher operating speeds, yet less maintenance; for example, thinner yogurt cup walls without loss of quality.

The line of high-impact styrene polymers was supplemented by two grades that withstand high external stress and permit greater processing efficiency. These types are used primarily for the manufacture of refrigerators and freezers and for packaging fatty foods. By changing the structure of a polymer we introduced a transparent, impact-resistant polystyrene grade, particularly suitable for packaging. Following the successful introduction of the Terluran®-900 line we now offer, in combination with the Terluran 800 and Luran® S grades, a range of engineering materials with high-gloss finish, good resistance to aging and excellent mechanical properties for numerous applications.

Medical equipment, efficiently produced out of plastic, for controlling transfusions, manufactured by a customer out of polystyrene and Novolen® engineering plastics



### Polyvinyl Chloride

Sales of Vinoflex® polyvinyl chloride grades were also substantially affected in volume by the reduced demand for plastics, especially by the construction industry, a principal customer. In the fourth quarter sales improved slightly. Our efforts to assure greater safety in the production and processing of vinyl chloride continued to be successful. Product development focused on special grades, for instance for the faster manufacture of improved high-quality films.

### Specialty Plastics

The sales volume of Ultramid® and Palatal® engineering plastics dropped to the 1972 level.

Sales increased for Ultraform® engineering plastics marketed for Ultraform GmbH, a joint venture with DEGUSSA.

Research was intensified with the aim to boost sales of specialty plastics.

Vacuum-metallized Ultramid films permit flexible packaging of ground coffee and other products.

Together with automotive companies we developed a one-step manufacturing process for radiator header tanks made out of glassfiber reinforced Ultramid and designed to replace metal models that require several production steps.

The new coin telephone intended for worldwide use and developed with our assistance contains 17 functional parts manufactured out of BASF engineering materials that meet the high durability and precision requirements. Dowels out of Ultramid to hang curtain walls are the first thermoplastics authorized for use as supporting elements in construction. Styropor® expandable polystyrene sales also decreased, partly as a result of the downturn in construction. Prices in Europe, outside of Germany, deteriorated drastically and we

declined several business opportunities. Special grades, such as Styrofill® flowable chips used in packaging, Styropor concrete, a construction material with excellent insulation properties, and in particular Styrodur® insulating panels for construction, scored good gains.

In polyurethanes business was off substantially until mid-year.

A plant for the production of 24,000 metric tons per year of MDI, a polyurethane intermediate, was put into operation in Antwerp. Produits Chimiques Ugine Kuhlmann and BASF Aktiengesellschaft agreed to restructure their cooperation in polyurethane intermediates. The plants of EURANE S. A., their joint venture, which produce polyurethane intermediates and again incurred heavy losses, are consigned to the parent company owning the site. Production of the intermediate propylene oxide at Rieme, Belgium, will be conducted



PVC silo distribution manifold in the Ludwigshafen Works



jointly. Both partners will continue to offer customers the complete line of major polyurethane intermediates: MDI, TDI and polyether polyols. Elastogran GmbH, a subsidiary, improved its market position in polyurethane systems, machinery and engineering of processing plants; for example, a closed mold process developed together with automobile producers for manufacturing seats out of extruded polyurethane in one production step. Despite the business deterioration in major markets sales of the company reached the previous year's level.

In July 1975 the seller of the Elastomer/Elastogran group brought an action based on willful deceit against the purchase contract concluded with BASF Aktiengesellschaft in June 1971. Since BASF Aktiengesellschaft considers this allegation untenable, it brought a contesting action before the Karlsruhe court of arbitration to declare the contract valid. The seller, in turn, brought an action before another court of arbitration to determine the contract invalid. BASF Aktiengesellschaft considers the latter action inadmissible. In addition the company brought a contesting action before the Karlsruhe court of arbitration demanding the payment of DM 6.3 million by the seller. In connection with these legal disputes Gottfried Reuter-Holding GmbH, Zurich, initiated proceedings before a third court of arbitration against BASF Farben + Fasern AG claiming payment of DM 1 million. BASF Farben + Fasern AG refers to an offset with counter-claims. In addition the seller complained before the Commission of the European Community about the 1971 agreement not to compete with BASF. The Commission still has to make a decision. A contesting action brought by the seller against BASF's 1974 Annual Meeting and a claim for disclosure have not yet been decided. That applies as well to a contesting action brought by a stockholder in connection with the purchase of the Elastomer/Elastogran group against the conduct of the 1973 Annual Meeting as well as a plea of nullity against BASF's 1971 Financial Statements.

#### **Fiber Raw Materials**

The recession caused a decline in business for all fiber raw materials. Efforts by producers to operate at

levels to cover costs led to strong competition and declining prices. Especially our traditional export markets, Latin America and the Far East, were subjected to severe competition. Overall, sales were down 37 percent. Earnings were unsatisfactory. In the Ludwigshafen Works we expanded production facilities for hexamethylene diamine, a nylon 66 intermediate. In Severodonezk, USSR, a plant for the production of AH-salt, an intermediate for nylon 66, was completed, put into operation and turned over to the purchaser.



BASF plastics are also applied for noise reduction; polyurethane elastomer sprockets for tracked vehicles





### Dyestuffs and Auxiliaries

The textile, printing ink and paper industries, our principal customers, were forced by the recession to cut back their production substantially. We had to adjust operations accordingly and institute short-work weeks in the second half of the year temporarily. Sales of dyestuffs and auxiliaries declined 10.5 percent compared to the previous year. Even though prices held generally at the preceding year's level, earnings dropped due to the high fixed costs of plants operating at low levels. Efforts directed toward expanding our product line for dyeing and printing synthetic fiber fabrics as well as blends were successful. For example, we introduced Palanil® Brilliant Red G, a fluorescing dyestuff for polyester fibers characterized by extraordinary brilliance and light-fastness. Lurafix® dyestuffs for the newly-developed heat transfer printing process found good acceptance. The dyestuff is first printed on paper and then fixed thermally on the polyester fiber fabric. Sudan® Red 7 B was developed for coloring heating oil, now mandatory in Germany. We continued to improve the extremely light-fast Heliogen®, Paliogen® and Paliotol® pigments which meet new automotive coating requirements.

To solve an environmental problem in leather processing our application

laboratories developed a tanning process which binds nearly all of the chrome salts to the hide and thus reduces the effluent load. Sursolan® and Polymin® flocculation and retention agents help the paper industry to improve effluents and decrease fresh water requirements. Despite unfavorable conditions in the paper industry we strengthened our market position.

Laundry agents using our low-foam surfactants found a ready market. In the Ludwigshafen Works facilities for the continuous production of anthranilic acid and similar intermediates for dyestuffs and crop protection products were put into operation.

Malayan batik, a fascinating application for BASF dyestuffs





## Chemicals

This business consists largely of intermediates and industrial chemicals which are processed in one or several steps by our customers and then supplied to end-users in more than ten different branches of industry. Our customers include primarily the chemical industry.

In terms of intensity and timing, the impact of the economic decline varied according to market areas. Overall, business in chemicals developed evenly. Sales fell short of the previous year's level. Earnings attained roughly the 1973 total.

Intermediates for crop protection products and pharmaceuticals improved our market position in organic intermediates. A plant for the production of 12,000 metric tons per year of neopentylglycol went on stream. The product manufactured by a new BASF process is an intermediate for a new type of coating. In anticipation

of long-term market developments we enlarged the production capacities for butanediol, an intermediate for plastics. The continuous expansion of our line of chemical intermediates led to the introduction of about 300 new products.

Sales of adhesives and impregnating resins decreased in volume as a result of the downturn in construction and furniture manufacturing. We augmented our selection of specialties with Kauramin® impregnating resins for faster mechanical lamination of particle boards, Kauramin 540 modified melamine resin for weather-resistant particle boards used in construction as well as a Kaurit® adhesive which cures upon exposure to normal temperature and thus conforms to modern particle board production requirements.

In Europe the volume of fodder additives sold reached the previous year's level, but fell short of

expectations overseas, particularly in the U. S. and Japan.

Demand for technical special chemicals developed evenly. Key products include specialties for separating crude oil emulsions. New Separol® grades for different types of crude oil boosted our market position in Germany and abroad. Sedipur® grades help to dewater sludge in industrial and communal effluent treatment plants.

A new catalyst made the production of phthalic anhydride, an important intermediate for plasticizers, synthetic resins and dyestuffs, more efficient. By opening new markets for solvents we maintained the previous year's volume. The plants for the production of ethylene oxide and its derivatives operated at capacity. To meet the sizeable demand we expanded facilities in the Antwerp Works by 30,000 metric tons per year. Sales of Glysantin® antifreeze, made from ethylene oxide, increased. Disk brake fluids meeting new requirements were added and well accepted by the market.

## Dispersions

Business varied among different product groups. Sales of acrylate monomers to the chemical industry and, in particular, plastic dispersions to the paper and floor covering industries declined. Business in coating resins and plastic dispersions for the coating and paint industry almost reached the preceding year's level. Laroflex-MP® and Lufotan® grades, used as binders in coatings for ships and marking roads, were successfully introduced.

Adhesive intermediates, such as Elastostic® grades for the production of adhesives on polyurethane basis and Kuroplast® grades for melt adhesives, achieved greater market penetration. Among our dispersions for the adhesive industry the Acronal® types strengthened their position due to growing use for the production of adhesives and sealants.

New polyurethane-based binders were offered to the building trade. Of particular interest are new paving blocks lined with polyurethane-bound rubber, which we developed together with a customer.

Continued efforts to create new binders for non-wovens and textile floor coverings resulted in Acronal 250 D for production of non-woven padding and special Butofan® dispersions for backing tufted carpets. Successful

Special BASF plastic dispersions serve as binders for priming, printing and waterproofing wallpapers



field tests with Butofan portend a good market potential.

For coating papers our laboratories developed fully synthetic binders, soluble in alkaline solution, to replace natural products. Considerable interest has been demonstrated in Acrosol® grades distinguished by consistent high quality.

In the Ludwigshafen Works construction was started on a 90,000-metric-ton-per-year acrylic acid plant. Its output of this important raw material for dispersions will be based on propylene instead of acetylene, the present feedstock.



### Coatings

Business in coatings is conducted by BASF Farben + Fasern AG. After a weak first quarter sales recovered gradually. In Europe they decreased 8 percent in volume and 2 percent in value compared to the preceding year. Higher prices instituted in spite of strong competition did not offset rising costs entirely. Successful efficiency measures did not suffice to overcome the impact of lower volume. Production adjustments eliminated the need for putting employees on short-work weeks. Customers were unevenly affected by the recession; sales by product developed accordingly. Automotive lacquers for original coats and repair work sold satisfactorily. Despite the construction downturn business in paints for buildings almost attained the previous year's level. Sales of other industrial coatings decreased, some substantially.

Capital expenditures were targeted toward improvements in plant infrastructure, particularly shipping and warehousing which are of special importance to the coatings business. The broad product range was examined and streamlined considerably. Development work focused on high-solid lacquers, primarily for automotive applications. These systems, rich in solids and favorable in their environmental impact, require fewer coats and less energy for curing. They possess outstanding properties in respect to body and resistance to chemicals. Our new blending system for automotive repair lacquers and building paints allows users to obtain desired shades by mixing a few basic lacquers according to recipes developed by us colorimetrically. The system provides customers and BASF sizeable inventory efficiencies.

Herbol-Herbidur® acrylic paints provide durable protection for old and new buildings





### Special Colors

Business in special pigments felt the impact of the recession in plastics processing affecting sales of our broad range of pigments for plastics colorants. Exports decreased markedly. The high quality of our products helped to avoid substantial price deterioration in spite of sharp competition. Higher costs were offset by flexible adjustments of output, reduction of inventories and short-work weeks in some

plants in the second half of the year. By streamlining product range and operations we adapted to future developments in the plastics processing industry, our principal customer. Sales of printing inks were subject to substantial price declines. Economic conditions led to a continuing decrease in volume, primarily abroad. Kast + Elinger France S. A. in Le Bourget, was particularly affected.

Even modern production facilities still rely on wood: inorganic pigments are precipitated in wooden vats at the Cologne-Mühlheim works of BASF Farben + Fasern AG





### Pharmaceuticals

With the acquisition of the majority interest in Knoll AG our activities in pharmaceuticals have been expanded significantly. Knoll AG operates its principal works in Ludwigshafen and a production plant in Minden. In addition the Knoll group includes two affiliates: Chemische Werke Minden GmbH, Minden, and Arzneimittelwerk Schi-Wa GmbH, Bad Laer. The Knoll group maintains a worldwide sales organization with offices and some production facilities in major European countries, the U. S., Latin America and Asia. The company's product line includes pharmaceuticals, fine chemicals, hospital supplies and sanitary products. Accordingly we have enlarged our research potential in pharmaceuticals. Development work focuses on new therapeutics and product range expansion.

Sales of pharmaceutical specialties, including those of our affiliates Nord-

mark-Werke GmbH, Hamburg, and Laboratoires Biosedra S. A., Paris, increased. Sales of pharma chemicals were lower.

In the year under report new pharmaceutical specialties were introduced, of which Arwin® holds special therapeutical interest. The active substance of the drug comes from the venom of the Malayan pit viper. Arwin is used for the treatment of peripheral arterial circulation disorders. Sormodren®, also a newly-developed specialty, was added to our line of drugs for the treatment of Parkinson's disease, especially its tremors. With Eunerpan® we have entered the neuropharmaceutical market.

Research facilities, efficiency improvements in production and the expansion of foreign operations accounted for the major share of capital expenditures.

The Malayan pit viper at the snake farm of Knoll AG in Ludwigshafen yields the venom essential for the production of Arwin®, a pharmaceutical for the treatment of peripheral arterial circulation disorders



### Magnetic Recording Media and Nyloprint®

Demand decreased in the course of the year. The business posed substantial difficulties.

Audio media took the brunt of the impact. Inexpensive imports from low-wage countries caused a decisive price squeeze and a decrease in compact cassettes sales. To adjust output to market conditions we were forced to curb production by instituting short-work weeks temporarily.

Our business in electronic data processing equipment continued to expand. Sales of computer tapes and disk packs were satisfactory. Overall the sales growth lagged behind expectations.

In the year under report we perfected the multi-coating process for tapes soon to go into production, and introduced Ferrochrome Compact Cassettes, another improvement in sound reproduction. Our line of

peripheral data storage equipment was augmented.

In the Ludwigshafen Works facilities for the manufacture of magnetic pigments were expanded.

Slow business in graphic arts depressed Nyloprint sales, although plates for newspaper printing continued to score gains.

## Operations by Region

### Europe

Business in the *Federal Republic of Germany* was burdened by uncertainties about the future economic development. Consumers and industrial customers became increasingly reticent. In contrast to earlier years the economies of other nations developed similarly and exports could not compensate for the decline in domestic business. The downturn which bottomed in late summer was followed by a hesitant recovery toward year-end. Sales in Germany within total sales of the BASF Group increased from 49 percent to 50 percent.

The French economy was not as severely affected by the worldwide recession. *France* is less dependent on exports and, unlike other West European countries, her share of exported consumer goods which are practically impervious to economic ups and downs, is considerably larger. Since October a distinct recovery in important branches of our industrial business became evident. Thus, in the year under report, sales nearly equaled the previous year's level.

Following the substantial cost increase in preceding years *Italy* keenly suffered the affects of the recession. A number of labor disputes in various industries as well as import restrictions also burdened our business in Italy.

*Britain's* economy was marked by recessionary trends and more decisively by structural problems in its major industries. Our business in Great Britain almost attained the previous year's level.

The *Benelux countries*, dependent on foreign trade, suffered in face of narrowing export opportunities. Comprehensive government programs to stimulate business proved to be largely ineffective. Moreover, the international competitiveness of the Benelux industries deteriorated since significant cost factors are governed by inflation indices. Nevertheless our business stabilized after the summer hiatus. Export opportunities to *Spain* diminished due to the increasing self-sufficiency of the domestic chemical industry, in which we participate with

BASF tapes and disk packs for all applications of magnetic recording media



production facilities in Tarragona, expanded in 1975. Although *East-West trade* did not develop as rapidly as in previous years, we succeeded in expanding our business relationship with the state-controlled economies of East and Southeast Europe. That trend applies as well to technical and scientific cooperation which our partners desire and represents to us a sensible supplement to commercial activities in these markets. BASF Group trade with these countries totaled DM 780 million, a decline compared to the previous year. The Soviet Union continued to be our principal partner. Our business of engineering and constructing production facilities for third parties resulted in the completion of plants located in the USSR, France and Roumania. After fulfillment of guarantees the facilities were turned over to their owners. The three units represent a combined value of DM 138 million. Four additional large projects are in work for the USSR, Roumania and Yugoslavia.

#### North America

Sales in the U. S. and Canada totaling DM 1,937 million came close to the previous year's level. Business in products manufactured locally continued to expand, while exports from our European production facilities decreased 17 percent.

In the first six months the recession's impact on key U. S. industries and inventory reductions after the 1974 boom characterized North America's economic development. The recovery began in the second half of the year, thus earlier than in West Germany. Fibers, dyestuffs, some organic chemicals and plastics incurred considerable losses in sales and earnings. Our affiliates Dow Badische Company and BASF Canada were particularly affected. In addition to economic adversities, BASF Canada was subjected to structural changes: in raw material supply, to higher costs for petrochemical feedstocks and in the market, to the growing competitiveness of substitutes for plasticizer alcohols.

BASF Wyandotte Corporation achieved favorable earnings, primarily due to substantially higher sales of inorganic chemicals and antifreeze. In addition, Basagran, a crop protection product, was well received by the market. Our line of polyurethane products was augmented by important intermediates.



#### BASF Group Sales by Region

	million DM	
Germany	9,676	1974
	9,068	1975
European Community, excl. Germany	3,429	
	3,017	
North America	1,960	
	1,937	
Western Europe, excl. European Community	1,558	
	1,298	
Latin America	1,094	
	901	
South and East Asia, Australia	803	
	707	
Eastern Europe	639	
	699	
Africa and West Asia	577	
	454	

Shock-absorbing body parts out of polyurethane developed by BASF Wyandotte Corporation in cooperation with American automobile producers



At the Geismar and Wyandotte Works BASF Wyandotte Corporation expanded its capacities for the production of toluene diisocyanate and inorganic chemicals. New facilities were completed for the production of polyether polyols and inorganic special pigments. At Dow Badische Company facilities for caprolactam, a nylon 6 intermediate, were enlarged to 160,000 metric tons per year. Energy-saving programs were emphasized.

In developing countries high-quality leather is manufactured even in simple production processes. BASF provides the auxiliaries

About 10 percent of capital expenditures were allocated to environmental protection.

#### **Latin America**

For most Latin American countries the upsurge of crude oil prices resulted in high balance of payments deficits and lower economic growth accompanied in some nations by continuing high inflation rates. Several countries attempted to improve their balances of

payments by import restrictions. In addition customers reduced excessive inventories. Thus imports from Europe decreased sharply. Lower prices for our products in conjunction with higher costs impaired export earnings considerably. Sales of products manufactured in our Latin American plants were hardly affected. Most companies realized sales gains. In some instances the difficult economic conditions made declines in earnings unavoidable. Latin American sales totaled DM 901 million, a decrease of 17.6 percent compared to the preceding year. For the first time sales of locally manufactured products exceeded exports from European production plants. Brazil continued to account for the major share of capital expenditures. At BASF Brasileira new plants for the production of inorganic and organic pigments were put into operation. In other countries we concentrated primarily on expanding existing production facilities.

#### **Africa and West Asia**

Most countries in this region experienced economic declines and foreign currency shortages. Moreover political crises occurred in important markets.

Our business continued to consist primarily of exports. Total sales in the region reached DM 454 million, 21.3 percent less than in the previous year chiefly and attributable to lower sales of fertilizers, chemicals and plastics. Remarkable growth rates realized in Egypt, Nigeria and Iraq could not offset the declines in other countries. Earnings were considerably lower. Sales and earnings of BASF-Sümerbank, a Turkish affiliate, were noticeably higher.

In the Republic of South Africa Resinkem, a joint venture with AE & CI Limited, started production of Kaurit adhesives and formaldehyde at Umbogintwini.

Within our business of engineering and constructing plants for third parties a fertilizer facility in Egypt built at a contract value of DM 58 million was turned over to the customer after fulfillment of guarantees.



### South and East Asia, Australia

Our business, consisting largely of exports from Europe, was hampered by economic developments in the countries of this region.

The export-intensive nations, in particular, suffered the impact of the recession, as evidenced by the drop in demand, severity of competition, deterioration of prices, reductions in foreign exchange reserves and obstacles to trade. In early summer a slow recovery became apparent. Altogether sales totaled DM 707 million. Crop protection products, mainly Basagran herbicide for rice, and several plastics scored gains. Business in fiber raw materials was depressed in markets where Japanese producers enjoyed decisive competitive advantages. Sales advanced in Hongkong and India, but decreased substantially in South Korea and Australia. Exports to Japan declined commensurate with its total chemical imports.



Philippine rice grower learning how to apply crop protection products efficiently

Tie-dyed textiles in a market in Lagos — an example of BASF Indigo and Indanthren® dyestuff application in Africa



## Logistics

In 1975 DM 8.1 billion worth of raw materials and supplies, merchandise and services were purchased for the BASF Group. The decline in total purchases by 23 percent, compared to the preceding year, corresponded to economic developments in Europe and overseas, evident particularly in petrochemicals. The substantial production cutbacks necessitated modifications of contractual obligations which were settled amicably with suppliers. The cooperation among functions responsible for distribution within the BASF Group and the organization of logistics within Group companies was strengthened. Efficiency improvements concentrated on material and data flow as well as order handling; abroad, attention was focused on some Latin

American companies and BASF Wyandotte Corporation. The latter put a computerized order processing and inventory control system into operation. In France we consolidated warehousing and transportation activities of Group companies and achieved cost savings. In West Germany we are reorganizing warehousing and distribution facilities of Group companies offering consumer-oriented product lines. The knowhow exchange on the transportation and transfer of goods was intensified. The worldwide business slump created a surplus of shipping space, but led only to a decrease of charter rates. On the whole, transportation costs rose insignificantly. Critical bottlenecks developed in ports of important oil-exporting countries and caused problems in supplying local customers on time. Air freight was therefore used more extensively. Smaller orders and the growing

demand for faster deliveries attributable to the reduction of inventories in nearly all industries, burdened our distribution facilities. Inventories decreased markedly.



Air-freight shipment at Frankfurt. On-time deliveries strengthen our position in the market.



# Environmental Protection and Industrial Safety

Efforts to make each job and plant still safer, were continued. Building on years of work in environmental protection, substantial amounts of money were allocated in 1975 to projects designed to improve emission performance in the production complexes and their surroundings. The BASF Group invested altogether DM 200 million in environmental protection facilities. BASF Aktiengesellschaft accounted for DM 120 million of the total. In the Ludwigshafen Works operating costs of environmental installations increased from DM 152 million to DM 195 million in 1975. The largest share of the total expense was again allocated to facilities for the improvement of water quality, primarily the construction and operation of biological effluent treatment plants.

# Employees

We thank the employees of the BASF Group for their active cooperation in 1975 and their understanding of the adjustments in employment which had to be undertaken during the year. In 1975 the number of employees of the BASF Group increased by 456 to 111,445.

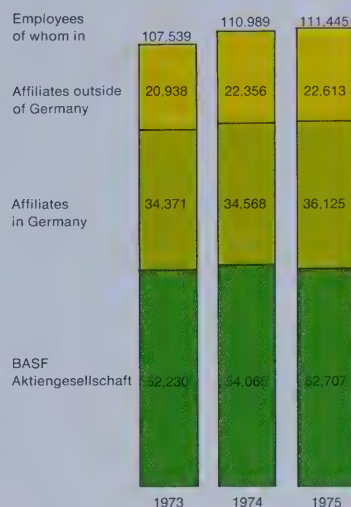
The increase in the work force abroad by 1.1 percent is primarily due to the rehiring of personnel by our North American subsidiaries. The number of employees of German Group companies decreased by 2,169, but the inclusion of the Knoll group in the consolidation led ultimately to a 0.2 percent rise. BASF Aktiengesellschaft employed 52,707 people, 2.5 percent less than in the preceding year. The number of nationals of other countries employed in German Group companies decreased 14.2 percent to 6,278, in part as a result of government regulations covering the granting and prolongation of work permits. The number of employees of outside contractors active in construction and maintenance in the Ludwigshafen Works also decreased.

Fluctuations in the total average German work force decreased and reached 6.9 percent at BASF Aktiengesellschaft, compared to 7.7 percent in the previous year. Economic conditions forced the German Group companies, in particular, to institute adjustments such as less overtime, transfers, hiring stops, short-work weeks and early retirement. In cooperation with the works councils we tried to avoid hardships. We are grateful to the employee representatives for their help in solving problems of mutual interest.

In the 1975 works council elections at our German BASF Group companies 75 councils with 629 members were newly chosen; in turn they constituted 10 central works councils and the works council for the German companies included in the consolidation.

The works council of the Ludwigshafen Works consists of 61 members of whom 32 are released from normal duties to work full-time for the works council.

# Personnel of the BASF Group



In November 1975 the management employees of BASF Aktiengesellschaft elected a board of spokesmen.

## Personnel costs

Personnel costs of BASF Aktiengesellschaft (wages and salaries as well as legally required and voluntary fringe benefits) increased in 1975 from DM 1,934.2 million to DM 2,003.0 million. Expenditures for pensions and assistance at DM 181.5 million reached the previous year's levels. They had increased disproportionately in 1974 due to legally required changes in the computation method for pension accruals.

## Formation of personal assets

Since the mid-50s BASF has offered employees the opportunity to acquire the company's stock. Altogether shares with a total nominal value of DM 104 million have been purchased under this program. In 1975 18,423 employees participated in the purchase plan. Under the law covering the formation of personal assets, 83,500 employees, based in Germany, saved about DM 49.4 million in 1975. Since the enactment of the law, DM 279.1 million, including DM 114.2 million contributed by German Group companies, have been invested.

Salaried employees who are not covered by these provisions were again offered the opportunity to buy five BASF shares, each with a nominal



value of DM 50.00 from BASF Aktiengesellschaft (BASF purchase price DM 3,922,048.00 plus commissions) for DM 70.00 per share with a selling restriction of five years. Of these employees, 5,722 participated in this plan for the formation of personal assets which matches the program for employees covered by union contract.

#### **Training**

In 1975 professional advancement and training of our employees was pursued systematically. Expenditures of BASF Aktiengesellschaft for professional development increased 20 percent to DM 78.6 million compared to 1974. In our German companies 4,898 young people receive thorough training in more than 60 different professions. The annual cost per trainee totals DM 16,300 after deduction of the productive contribution. At the end of 1975 the number of trainees was

higher by 359 than in 1974. At BASF Aktiengesellschaft alone 1,177 young people entered training programs during the year. In the last 10 years more than 1,000 new training positions were created at the Ludwigshafen and Willstätt Works. The continuing expansion of our training centers in 1975 helped to overcome the bottleneck in professional training opportunities for young people.

We recognize this social responsibility, but cannot guarantee each trainee future employment with the company. In addition to training programs, we continued to emphasize professional development courses. In 1975 14,925 employees improved their knowledge in a broad range of programs.

#### **Social benefits**

Pension plans, health care and housing are the most important factors of our social welfare activities on behalf of

employees. Together with the subsidiaries GEWOGE and LUWOGE 27,900 new dwellings were completed. All German Group companies provide company pension plans. Abroad such programs were widened in keeping with local conditions.

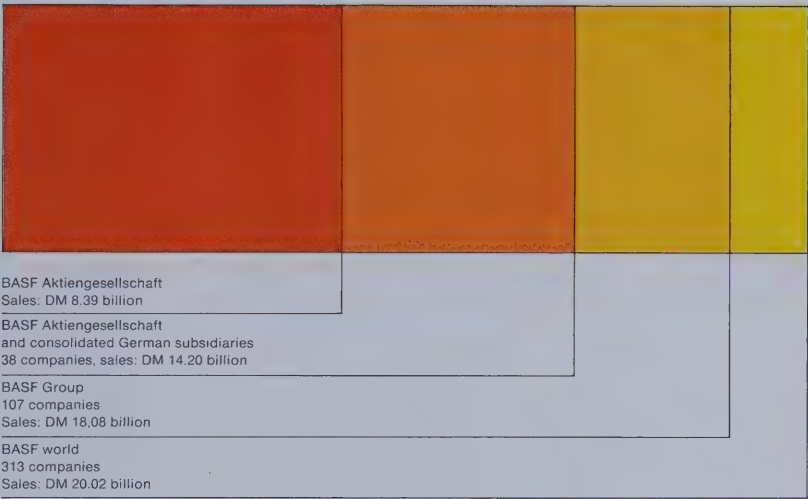
At BASF Aktiengesellschaft 21,255 retirees or their dependents receive a company pension in addition to the public pension. The medical programs conducted by 22 physicians and 91 other professionals were expanded. Our efforts in preventive health care and research in vocational diseases were intensified. These activities also contribute to greater safety on the job.

Training in the mechanics of measuring and control instruments at the Ludwigshafen Works



# Major Affiliates

## Structure of BASF



**BASF Group**  
**Companies included in the consolidation**  
Simplified diagram

BASF Aktiengesellschaft, Ludwigshafen  
Capital Stock: DM 1,723 million



BASF Kraftwerk Marl GmbH, Marl <sup>1</sup> Capital Stock: DM 25 million	100 %	Wintershall AG, Celle/Kassel Capital Stock: DM 176 million	100 %
Canapol Chemie-Beteiligungs-Gesellschaft mbH, Ludwigshafen <sup>1</sup> Capital Stock: DM 0.02 million	100 %	Burbach-Kaliwerke AG, Kassel <sup>1</sup> Capital Stock: DM 34 million	98 %
Chemische Düngerfabrik Rendsburg GmbH, Rendsburg <sup>1</sup> Capital Stock: DM 0.1 million	100 %	Chemikalien-Aktiengesellschaft, Frankfurt <sup>1</sup> Capital Stock: DM 6 million	100 %
Elastogran GmbH, Lemförde Capital Stock: DM 30 million	100 %	Chemische Fabrik WIBARCO GmbH, Ibbenbüren Capital Stock: DM 7.2 million	100 %
10 German subsidiaries <sup>2</sup>		COMPO GmbH Produktions- u. Vertriebsges., Münster-Handorf Capital Stock: DM 4 million	100 %
Gewerkschaft Auguste Victoria, Marl Capital: 100 mining shares	100 %	Erdöl-Raffinerie Mannheim GmbH, Mannheim Capital Stock: DM 60 million	60 %
Knoll AG, Chemische Fabriken, Ludwigshafen Capital Stock: DM 45.9 million	72 %	Gewerkschaft Haidkopf, Celle <sup>1</sup> Capital: 100 mining shares	100 %
Chemische Werke Minden GmbH, Minden <sup>1</sup> Capital Stock: DM 1 million	100 %	Guano-Werke Aktien-Gesellschaft, Hamburg Capital Stock: DM 16.8 million	97.1 %
Transpharm GmbH, Ludwigshafen <sup>1</sup> Capital Stock: DM 0.02 million	100 %	Kali-Bank AG, Kassel <sup>1</sup> Capital Stock: DM 2 million	100 %
LUWOGGE Wohnungsunternehmen GmbH, Ludwigshafen <sup>1</sup> Capital Stock: DM 78 million	100 %	MIHAG Handelsges. für Mineralölerzeugn. mbH, Düsseldorf <sup>1</sup> Capital Stock: DM 10 million	100 %
Nordmark-Werke GmbH, Hamburg <sup>1</sup> Capital Stock: DM 20 million	100 %	WIESÖL Mineralölhandelsges. mbH, Wiesbaden <sup>1</sup> Capital Stock: DM 2 million	100 %
BASF Farben + Fasern AG, Hamburg Capital Stock: DM 215 million	100 %	Kali und Salz AG, Kassel Capital Stock: DM 250 million	71.8 %
Dr. Beck & Co. AG, Hamburg <sup>1</sup> Capital Stock: DM 3 million	100 %	Chemische Fabrik Kalk GmbH, Cologne <sup>1</sup> Capital Stock: DM 30 million	100 %
Compakta-Werke Baustoff-GmbH, Traunreut <sup>1</sup> Capital Stock: DM 1 million	100 %	Alwinsal Potash of Canada Ltd., Lanigan Capital Stock: 15 million Canadian Dollars	50 %
Vaerst & Co., Hamburg Capital Stock: DM 5 million	87.5 %	Gewerkschaft Victor, Chemische Werke, Castrop-Rauxel <sup>1</sup> Capital: 1,000 mining shares	50 %
Urruzola S. A., Madrid Capital Stock: 100 million Pesetas	95.7 %	«ALBATROS» S. A. Belge pour le Raffinage de Pétrole, Antwerp Capital Stock: 750 million Belgian Francs	100 %
4 European subsidiaries		Delfzee Dubai Petroleum N. V., The Hague Capital Stock: 25 million Dutch Guilders	100 %
Rheinische Olefinwerke GmbH, Wesseling <sup>1</sup> Capital Stock: DM 300 million	50 %	Delfzee Dubai Handelsmij. B. V., The Hague Capital Stock: 0.01 million Dutch Guilders	100 %
		Produits et Engrais Chimiques du Rhin, Ottmarsheim Capital Stock: 125 million French Francs	50 %

<sup>1</sup> Profit transfer agreements between these companies and their parent companies

<sup>2</sup> Beteiligungsgesellschaft Elastogran Kunststoff-Technik mbH, Lemförde  
Elastogran Kunststoff-Technik GmbH & Co., Lemförde  
Beteiligungsgesellschaft Elastogran Polyurethan-Chemie mbH, Lemförde  
Elastogran Polyurethan-Chemie GmbH & Co. KG, Lemförde  
Elastogran Maschinenbau GmbH, Osnabrück  
Elastogran Maschinenbau GmbH & Co., Straßlach  
Elastogran Polyurethan-Systeme GmbH, Osnabrück  
Elastogran Polyurethan-Systeme GmbH & Co., Geiselbullach  
MR Kunststofftechnik GmbH, Diepholz  
MR Kunststofftechnik GmbH & Co. KG, Diepholz



Ammoniak Unie B. V., Utrecht Capital Stock: 16 million Dutch Guilders	50 %	BASF Australia Ltd., Melbourne Capital Stock: 2.8 million Australian Dollars	100 %
Badische-Phillips Petroleum N. V., Antwerp Capital Stock: 200 million Belgian Francs	50 %	BASF Canada Ltd., Montreal Capital Stock: 34.7 million Canadian Dollars	100 %
BASF AG & Co. Gesellschaft m.b.H., Vienna Capital Stock: 185 million Austrian Shillings	100 %	2 Canadian majority-owned affiliates	
BASF Farben + Fasern Gesellschaft m.b.H., Vienna Capital Stock: 20.4 million Austrian Shillings	100 %	BASF Japan Ltd., Tokyo Capital Stock: 1.650 million Yen	100 %
Danubia Olefinwerke Ges.m.b.H., Schwechat near Vienna Capital Stock: 220 million Austrian Shillings	50 %	Yuka Badische Company Ltd., Yokkaichi Capital Stock: 600 million Yen	50 %
1 European sales company (majority-owned affiliate)		BASF Overzee N. V., Willemstad (Netherlands Antilles) Capital Stock: 17.9 million Neth. Antilles Guilders	100 %
BASF Antwerpen N. V., Antwerp Capital Stock: 4,000 million Belgian Francs	100 %	Basfin Corporation, New York Capital Stock: 2 million US Dollars	100 %
BASF Chemiewerte-Aktiengesellschaft, Zürich Capital Stock: 10 million Swiss Francs	100 %	BASF Transatlantica S. A., Panama Capital Stock: 14 million US Dollars	100 %
BASF Aktiengesellschaft für Chemieverfahren, Chur Capital Stock: 2 million Swiss Francs	100 %	BASF Argentina S. A., Buenos Aires Capital Stock: 48.5 million Argentinian Pesos	100 %
BASF Holding Luxemburg S. A., Luxembourg Capital Stock: 380 million Luxemb. Francs	100 %	BASF Brasileira S. A., Indústrias Químicas, São Paulo Capital Stock: 249.6 million Cruzeiros	100 %
BASF Española S. A., Barcelona Capital Stock: 1,100 million Pesetas	100 %	Isopor-Indústria S. A., São Bernardo do Campo Capital Stock: 35.2 million Cruzeiros	100 %
BASF Holding-Aktiengesellschaft, Zürich Capital Stock: 1 million Swiss Francs	100 %	Glasurit do Brasil S. A., São Bernardo do Campo Capital Stock: 94.2 million Cruzeiros	94.7 %
Compagnie Chimique de la Méditerranée, Berre-l'Étang Capital Stock: 30 million French Francs	50 %	BASF Mexicana S. A., Mexico, D. F. Capital Stock: 45 million Mex. Pesos	100 %
Dispersions Plastiques S. A., Paris Capital Stock: 10 million French Francs	50 %	BASF Química Colombiana S. A., Bogotá Capital Stock: 35.5 million Colombian Pesos	100 %
Laboratoires BIOSEDRA S. A., Malakoff Capital Stock: 6.3 million French Francs	50 %	Dow Badische Company, Williamsburg/Virginia Capital Stock: 122.9 million US Dollars	50 %
Pharmasynthese S. A., St. Pierre-les-Elbeuf Capital Stock: 1 million French Francs	50 %	9 majority-owned affiliates	
S.E.G.E.D.I.T. S. A., Malakoff Capital Stock: 6.3 million French Francs	50 %	LUCHEM Corporation, New York Capital Stock: 156.6 million US Dollars	100 %
Suma S. A., Gien (Loiret) Capital Stock: 6.1 million French Francs	100 %	BASF Wyandotte Corporation, Wyandotte/Michigan Capital Stock: 107.2 million US Dollars	100 %
7 European sales companies (majority-owned affiliates)		5 North American majority-owned affiliates	

 companies included in the Group financial statements and in the consolidated financial statements of BASF Aktiengesellschaft and its consolidated German subsidiaries  
 companies included in the Group financial statements only

As of December 31, 1975

## Major Affiliates / Germany

Company name and headquarters	Holding acquired	Capital stock million DM	Holding in percent	Number of employees
BASF Farben + Fasern AG, Hamburg	1965/72	215	100	6,967
BASF Kraftwerk Marl GmbH, Marl	1962	25	100	217
Elastogran GmbH, Lemförde (including its German majority-owned affiliates)	1969	30	100	875
Erdöl-Raffinerie Mannheim GmbH, Mannheim	1968	60	60	392
Gewerkschaft Auguste Victoria, Marl	1907/53	100 mining shares	100	5,761
Gewerkschaft Victor, Chemische Werke, Castrop-Rauxel	1968	1,000 mining shares	50	1,483
Guano-Werke Aktien-Gesellschaft, Hamburg	1968	16.8	97.1	764
Kali und Salz AG, Kassel	1972	250	71.8	9,296
Knoll AG, Ludwigshafen	1975	45.9	72	2,228
Nordmark-Werke GmbH, Hamburg	1968	20	100	1,023
Rheinische Olefinwerke GmbH, Wesseling (ROW)	1953	300	50	3,618
Wintershall AG, Celle/Kassel	1968	176	100	3,173

## Major Affiliates / Abroad

	Holding acquired	Capital stock million local currency	Holding in percent	Number of employees
<b>Europe</b>				
«ALBATROS» S. A. Belge pour le Raffinage de Pétrole, Antwerp, Belgium	1973	Belgian Francs 750	100	359
Ammoniak Unie B. V., Utrecht, Netherlands	1965	Dutch Guilders 16	50	42
Badische-Phillips Petroleum N. V., Antwerp, Belgium	1966	Belgian Francs 200	50	84
BASF Antwerpen N. V., Antwerp, Belgium	1964	Belgian Francs 4,000	100	2,890
BASF Española S. A., Barcelona, Spain	1966	Pesetas 1,100	100	858
Compagnie Chimique de la Méditerranée, Berre-l'Etang, France	1966	French Francs 30	50	122
Danubia Olefinwerke Ges. m. b. H., Schwechat near Vienna, Austria	1967	Austrian Shillings 220	50	174
Dispersions Plastiques S. A., Paris, France	1958	French Francs 10	50	42

<sup>1</sup> Net sales and earnings before income taxes



Products	Capital expenditures million DM	Sales <sup>1</sup> million DM	Pre-tax earnings <sup>1</sup> million DM
Protective coatings and paints, printing inks, special pigments, fibers and fiber technology	28.9	733.9	27.0
Electricity	3.3	59.5	Profit transfer agreement
Polyurethane systems, machinery and equipment for polyurethane processing, thermoplastic engineering materials and polyurethane engineering parts	3.7	231.2	12.7
Petroleum products	19.2	985.8	(65.9)
Coal	14.5	348.9	6.3
Fertilizers	5.0	238.4	Profit transfer agreement
Fertilizers	11.4	265.9	13.6
Potash, rock salt, inorganic chemicals, fertilizers	72.6	984.0	60.3
Pharmaceuticals, pharma chemicals, hospital supplies, sanitary products	19.3	218.3	19.6
Pharmaceuticals	5.7	100.5	Profit transfer agreement
Polyolefines, styrene, butadiene, epoxy resins, thermoplastic rubber	82.6	1,286.1	Profit transfer agreement
Crude oil, natural gas, petroleum products	96.3	2,447.8	74.9

Products	Capital expenditures, million local currency	Sales <sup>1</sup> million local currency	Pre-tax earnings <sup>1</sup> million local currency
Petroleum products	Belgian Francs 104.8	Belgian Francs 1,844	Belgian Francs 123.4
Ammonia	Dutch Guilders 2.9	Dutch Guilders 50.7	Dutch Guilders 2.7
Polyvinyl chloride	Belgian Francs 4.9	Belgian Francs 78	Belgian Francs 22.7
Nitrophoska®, caprolactam, ammonium sulphate, low-density polyethylene, vinyl chloride, ethylene oxide, glycol, ethyl benzene, polystyrene	Belgian Francs 1,878.4	Belgian Francs 17,335.4	Belgian Francs 576.9
Oxo alcohols, phthalic anhydride, plasticizers, Styropor, plastic dispersions, textile auxiliaries, paint and varnish resins, crop protection products, Ultramid	Pesetas 401	Pesetas 5,995.6	Pesetas 309.2
Polyethylene	French Francs 8.5	French Francs 109.2	French Francs (13.6)
Polyethylene	Austrian Shillings 6.8	Austrian Shillings 743.5	Austrian Shillings (7.8)
Styropor, plastic dispersions	French Francs 2.7	French Francs 59	French Francs (0.2)

# Major Affiliates/Abroad

Company name and headquarters	Holding acquired	Capital stock million local currency	Holding in percent	Number of employees
Europe				
Produits et Engrais Chimiques du Rhin, Ottmarsheim, France	1968	French Francs 125	50	520
Suma S. A., Gien (Loiret), France	1962	French Francs 6.1	100	336
North America				
BASF Canada Ltd., Montreal, Canada (including its majority-owned affiliates)	1954	Can. \$ 34.7	100	595
BASF Wyandotte Corporation, Wyandotte, Michigan, USA (including its majority-owned affiliates)	1970	U. S. \$ 107.2	100	5,665
Dow Badische Company, Williamsburg, Virginia, USA (including its majority-owned affiliates)	1958	U. S. \$ 122.9	50	4,665
Latin America				
BASF Argentina S. A., Buenos Aires, Argentina	1969	Arg. Pesos 48.5	100	416
BASF Brasileira S. A., Indústrias Químicas, São Paulo, Brazil (including its majority-owned affiliates)	1955	Cruzeiros 249.6	100	2,005
BASF Mexicana S. A., México, D. F., Mexico	1964	Mex. Pesos 45.0	100	357
BASF Química Colombiana S. A., Bogotá, Colombia	1969	Col. Pesos 35.5	100	416
Glasurit do Brasil S. A., São Bernardo do Campo, Estado do São Paulo, Brazil	1967	Cruzeiros 94.2	95	1,332
Asia and Australia				
BASF Australia Ltd., Melbourne, Australia	1963	Austr. \$ 2.8	100	180
BASF India Ltd., Bombay, India	1960	Ind. Rupees 7	50	412
BASF Japan Ltd, Tokyo, Japan	1953	Yen 1,650	100	284
BASF-Sümerbank Türk Kimya Sanayii A. S., Istanbul, Turkey	1969	Turk. Pounds 60	60	144
Yuka Badische Company Ltd., Yokkaichi, Mie Pref., Japan	1962	Yen 600	50	191

<sup>1</sup> Net sales and earnings before income taxes



Products	Capital expenditures, million local currency	Sales <sup>1</sup> million local currency	Pre-tax earnings <sup>1</sup> million local currency
Fertilizers	French Francs 16.5	French Francs 296.3	French Francs 4.0
Magnetic foils and tapes, compact cassettes	French Francs 5.9	French Francs 41.6	French Francs 0.3
Oxo alcohols, phthalic anhydride, plasticizers, polyesters, Styropor, auxiliaries	Can. \$ 6.4	Can. \$ 60.3	Can. \$ (4.8)
Basic chemicals, organic chemicals, sanitizing chemicals, polyurethane intermediates, Styropor, dyestuffs, auxiliaries, magnetic recording media, compact cassettes	U. S. \$ 60.5	U. S. \$ 589.8	U. S. \$ 49.3
Acrylic acid, acrylic esters, oxo alcohols, caprolactam, nylon, polyester and acrylic fibers, Lurex® fibers, textiles	U. S. \$ 18.9	U. S. \$ 281.3	U. S. \$ (4.9)
Styropor, plastic dispersions, auxiliaries, pigment preparations, crop protection products	Arg. Pesos 98.9	Arg. Pesos 905.9	Arg. Pesos 89.8
Styropor, foamed Styropor, plastic dispersions, reducing agents, pigment preparations, auxiliaries, crop protection products, inorganic pigments, magnetic tapes and compact cassettes	Cruzeiros 61.0	Cruzeiros 549.0	Cruzeiros 8.2
Styropor, foamed Styropor, polyurethane systems, plastic dispersions, pigment preparations, inorganic pigments, auxiliaries	Mex. Pesos 8.6	Mex. Pesos 289.8	Mex. Pesos 20.2
Formaldehyde, tanning agents, polyester resins, plastic dispersions, auxiliaries, crop protection products	Col. Pesos 31.3	Col. Pesos 463.4	Col. Pesos 18.4
Industrial coatings, especially for the automotive industry, paints, housepaints, surfacers	Cruzeiros 23.8	Cruzeiros 544.6	Cruzeiros 46.3
Styropor, plastic dispersions, auxiliaries	Austr. \$ 0.2	Austr. \$ 17.6	Austr. \$ 0.01
Styropor, foamed Styropor, tanning agents, auxiliaries, crop protection products	Ind. Rupees 2.4	Ind. Rupees 68.9	Ind. Rupees 5.2
Auxiliaries, compact cassettes	Yen 25	Yen 14,010	Yen 121
Formaldehyde, Kaurit adhesives, auxiliaries, plastic dispersions, pigment preparations	Turk. Pounds 3.0	Turk. Pounds 137.0	Turk. Pounds 21.0
Styropor, plastic dispersions, polystyrene foam sheets	Yen 400.6	Yen 8,152.5	Yen 806.8

# 1975 Financial Statement

## Balance Sheet of BASF Group as of December 31, 1975

Assets	Dec. 31, 1975 TDM *)	Dec. 31, 1974 TDM
<b>I. Fixed Assets</b>		
<b>A. Property, Plant and Equipment</b>	<b>6,651,644</b>	<b>6,440,716</b>
<b>B. Patents, Trademarks, Franchises</b>	<b>15,545</b>	<b>23,175</b>
<b>C. Investments</b>		
1. Investments in affiliates	265,396	191,665
2. Long-term loans to affiliates	67,009	49,180
3. Other investments and long-term loans	430,693	454,153
	<b>763,098</b>	<b>694,998</b>
	<b>7,430,287</b>	<b>7,158,889</b>
<b>II. Current Assets</b>		
<b>A. Goods on Lease</b>	<b>78,106</b>	<b>62,704</b>
<b>B. Inventories</b>	<b>2,854,630</b>	<b>2,975,411</b>
<b>C. Uncompleted Contracts</b>	<b>108,384</b>	<b>168,094</b>
<b>D. Notes and Accounts Receivable</b>		
1. Notes receivable	222,642	107,174
2. Accounts receivable (trade)	2,548,995	2,571,673
3. Other receivables	308,939	272,854
4. Allowance for doubtful receivables	(152,622)	(145,773)
5. Receivables from affiliates	166,463	104,659
	<b>3,094,417</b>	<b>2,910,587</b>
<b>E. Cash and Cash Items</b>		
1. Marketable securities	111,548	170,216
2. Cash	818,468	796,460
	<b>930,016</b>	<b>966,676</b>
	<b>7,065,553</b>	<b>7,083,472</b>
<b>III. Deferred Charges and Prepaid Expenses</b>	<b>243,067</b>	<b>279,952</b>
<b>IV. Balance Arising from Consolidation</b>	<b>161,227</b>	<b>115,522</b>
	<b>14,900,134</b>	<b>14,637,835</b>

\*) TDM = thousands of DM



<b>Capital and Liabilities</b>	<b>Dec. 31, 1975 TDM</b>	<b>Dec. 31, 1974 TDM</b>
<b>I. Stockholders' Equity</b>		
<b>A. Paid-in Capital</b>		
1. Capital stock of BASF Aktiengesellschaft	1,723,306	1,640,991
2. Paid-in Surplus	1,367,924	1,367,924
	3,091,230	3,008,915
<b>B. Earned Surplus</b>		
1. As of January 1	1,563,152	1,272,265
2. Dividend of BASF Aktiengesellschaft (previous year)	(278,968)	(246,584)
3. Net income	375,221	519,230
4. Changes from consolidation etc.	(2,621)	18,241
5. As of December 31	1,656,784	1,563,152
<b>Equity of BASF Group</b>	<b>4,748,014</b>	<b>4,572,067</b>
<b>II. Minority Interests</b>	<b>133,535</b>	<b>136,205</b>
<b>III. Special Reserves</b>	<b>413,757</b>	<b>387,185</b>
<b>IV. Unrealized Gain on Foreign Exchange</b>	<b>225,859</b>	<b>287,583</b>
<b>V. Long-term Reserves</b>		
1. Pension reserves	1,394,022	1,190,051
2. Other long-term reserves	551,709	480,638
	1,945,731	1,670,689
<b>VI. Long-term Liabilities</b>		
1. Bonds, mortgages and similar debt	1,519,612	1,596,299
2. Long-term liabilities to banks	1,096,726	1,217,389
3. Other long-term liabilities	378,899	352,781
4. Long-term liabilities to affiliates	47,221	34,866
	3,042,458	3,201,335
<b>VII. Current Liabilities and Accruals</b>		
1. Accounts payable (trade)	1,338,243	1,519,129
2. Notes payable	292,277	339,080
3. Short-term liabilities to banks	856,532	693,442
4. Advances received	112,653	173,146
5. Accrued taxes and tax liabilities	673,564	611,176
6. Other accrued charges	520,958	476,410
7. Other short-term liabilities	532,009	524,986
8. Short-term liabilities to affiliates	49,117	33,434
	4,375,353	4,370,803
<b>VIII. Deferred Income</b>	<b>15,427</b>	<b>11,968</b>
	<b>14,900,134</b>	<b>14,637,835</b>

# Statement of Income of BASF Group for the Year Ended December 31, 1975

	1975 TDM	1974 TDM
<b>Net Sales</b>		
To third parties	17,525,900	19,301,992
To affiliates (non-consolidated)	554,775	433,764
<b>Total</b>	<b>18,080,675</b>	<b>19,735,756</b>
Cost of sales	14,453,815	15,130,376
<b>Gross Profit</b>	<b>3,626,860</b>	<b>4,605,380</b>
Selling, general, and administrative expense	2,455,351	2,477,194
<b>Income from Operations</b>	<b>1,171,509</b>	<b>2,128,186</b>
<b>Other Income and Expenses</b>		
Expenses for affiliates (non-consolidated)	20,650	2,073
Other income from investments	13,843	30,008
Interest income	96,793	133,449
Interest expense	384,561	436,454
Write-downs of investments	2,719	40,919
Losses on currency transactions (net)	(11,071)	29,649
Other expense (net)	36,035	444,517
<b>Total</b>	<b>322,258</b>	<b>790,155</b>
<b>Income before Income Taxes and Minority Interests</b>	<b>849,251</b>	<b>1,338,031</b>
Income taxes	489,115	801,380
<b>Income before Minority Interests</b>	<b>360,136</b>	<b>536,651</b>
Minority interests	(15,085)	17,421
<b>Net Income</b>	<b>375,221</b>	<b>519,230</b>

We have examined the balance sheet of the BASF Group as of December 31, 1975 and 1974 and the related statement of income for the years then ended. Our examination was made in accordance with auditing standards generally accepted in Germany and in the United States and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of certain BASF subsidiaries and affiliates included in the BASF Group

were examined by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for such companies, is based solely upon the reports of the other auditors. These statements reflect total assets at December 31, 1975 and 1974 constituting 28 and 25 percent, respectively, and revenues for the years then ended constituting 35 and 33 percent, respectively, of the Group totals.

In our opinion, based on our examination and the reports of other auditors, the accompanying financial statements of the BASF Group present fairly its financial position at December 31, 1975 and 1974 and the results of its operations for the years then ended in conformity with accounting principles that are explained in the accompanying notes and which have been applied on a consistent basis during the period.

Stuttgart/New York, April 13, 1976

**Schitag**  
**Schwäbische Treuhand-**  
**Aktiengesellschaft**  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

**Haskins & Sells**  
Certified Public Accountants

Dr. Frey  
Certified Public Accountant

T. B. Hogan  
Partner

ppa. Dr. Csik  
Certified Public Accountant

W. Williamson  
Partner



# BASF Group

## Five-Year Summary

million DM	1971	1972	1973	1974	1975
<b>Sales and Earnings</b>					
Net sales	10,233	11,861	14,258	19,736	18,081
Income before income taxes and minority interests	520	724	1,053	1,338	849
Income taxes	232	312	516	801	489
Minority interests	1	4	23	18	(15)
Net income	287	408	514	519	375
<b>Assets</b>					
Property, plant and equipment	5,890	6,114	6,191	6,441	6,652
Patents, trademarks, franchises	49	46	53	23	15
Investments	785	801	708	695	763
<b>Fixed Assets</b>	6,724	6,961	6,952	7,159	7,430
Inventories, uncompleted contracts and goods on lease	1,724	1,800	1,947	3,206	3,041
Notes and accounts receivable	1,928	2,496	2,772	2,910	3,095
Cash and cash items	709	774	958	967	930
<b>Current Assets</b>	4,361	5,070	5,677	7,083	7,066
Deferred charges and prepaid expenses	209	250	233	280	243
Balance arising from consolidation	207	237	233	116	161
<b>Total</b>	11,501	12,518	13,095	14,638	14,900
<b>Capital and Liabilities</b>					
Capital stock of BASF Aktiengesellschaft	1,513	1,526	1,541	1,641	1,723
Paid-in surplus	1,332	1,360	1,385	1,368	1,368
Earned surplus	769	983	1,272	1,563	1,657
<b>Equity of BASF Group</b>	3,614	3,869	4,198	4,572	4,748
Minority interests	79	153	156	136	133
Special reserves	57	62	179	387	414
Unrealized gain on foreign exchange	108	120	252	288	226
Long-term reserves (due after one year)	641	939	1,049	1,671	1,946
Long-term liabilities (due after one year)	4,357	4,262	3,562	3,201	3,042
Current liabilities and accruals and deferred income	2,645	3,113	3,699	4,383	4,391
<b>Liabilities</b>	7,643	8,314	8,310	9,255	9,379
<b>Total</b>	11,501	12,518	13,095	14,638	14,900
<b>Capital Expenditures and Depreciation</b>					
Expenditure on property, plant and equipment	922	915	1,170	1,394	1,396
Depreciation of property, plant and equipment	895	996	1,089	1,218	1,190

# Notes to the 1975 Financial Statements of the BASF Group

with comparisons to 1974

## Principles of Consolidation and Valuation

The financial statements of the BASF Group include the financial statements of BASF Aktiengesellschaft and its significant subsidiaries and, on a consolidation basis, the BASF share of the financial statements of the significant 50-percent-owned affiliates. The Group consolidation thus includes the financial statements of BASF Aktiengesellschaft and 83 subsidiaries and 23 fifty-percent-owned affiliates. The unconsolidated companies are carried in the Group financial statements at the book value of the underlying equity in net assets. The Group financial statements for 1975 include for the first time the consolidated statements of Knoll AG and its significant domestic subsidiaries. A majority holding of the Knoll group was acquired during September, and net sales and net income are included from October. Information concerning BASF shares issued in the Knoll acquisition is shown in the notes to the financial statements of BASF Aktiengesellschaft. Eurane S. A. was disposed of at the end of 1975; net sales and net loss for 1975 are contained in the Group results. Except for the above, the composition of the Group consolidation has not changed materially. The financial statements of German companies have been prepared in accordance with the accounting and valuation principles legally prescribed in Germany. The financial statements of all foreign companies have been prepared in accordance with the generally accepted principles and practices commonly followed by companies subject to the requirements of the Securities and Exchange Commission (SEC) in the United States. Had these latter principles also been followed by the German companies, the stockholders' equity of the BASF Group as of December 31, 1975 and 1974 would have been greater by DM 1,316.2 million and DM 1,165.6 million,

respectively. Net income for 1975 and 1974 would have been greater by DM 33.9 million and DM 170.3 million respectively, resulting primarily from optional valuation methods used for domestic investments of BASF Aktiengesellschaft as permitted by German law, the application of special tax regulations to the valuation of property, plant and equipment, and the appropriation to special reserves. Furthermore, the charge of DM 144.6 million in 1974 resulting from the change in the valuation of pension provisions according to the discounted value method (Teilwertmethode) would be spread over an extended period. For the purpose of inclusion in the Group financial statements, foreign currencies have been translated into DM as follows:

- Revenue and expenses — at quarterly average rates, except for depreciation and depletion which have been translated at historical rates.
- Property, plant and equipment, intangible assets, deferred charges and investments in affiliates — at historical rates.
- All other assets and liabilities — at rates existing at the close of the year. The accumulated unrealized net gains resulting from the translation of foreign currencies as of December 31, 1975 are shown in the balance sheet as a reserve. Additional unrealized exchange gains relating to liabilities of domestic companies, payable in foreign currencies, are included in accounts payable. Realized gains as well as realized and unrealized losses due to changes in the quotation of currencies in the valuation of receivables or payables of consolidated companies, maintained in foreign currencies, are taken into income. Provision is made for losses expected on forward contracts; gains from such contracts are taken into income when realized.

## Property and Depreciation

Property, plant and equipment is generally stated at cost less accumulated depreciation. In general, depreciation is computed under the declining balance method or straight-line method at annual rates based on estimated useful lives for the various types of property. Property located on leaseholds is amortized over the lives of the respective leases or over the life of the assets if shorter. Special accelerated depreciation is taken as

permitted under German tax regulations.

Costs to drill and equip producing oil and gas wells are capitalized and amortized over not more than three years. Geophysical expenditures, including exploratory and dry hole costs, are charged against income. Concession acquisition costs are capitalized and amortized over the expected term.

Maintenance and repair costs are charged to income. Additions, betterments and renewals are capitalized. Gains or losses realized when assets are sold or otherwise disposed of are taken into income, unless special German tax regulations permit a deferral of such gains.

Property, plant and equipment is summarized as follows:

	million DM December 31,	
	1975	1974
Land	446.3	402.9
Buildings	3,952.7	3,764.4
Machinery and equipment	13,252.3	12,545.8
Construction in progress including advances	811.0	657.8
	18,462.3	17,370.9
Accumulated depreciation	11,810.7	10,930.2
Property, plant and equipment, net	6,651.6	6,440.7

Provision for depreciation for the years 1975 and 1974 amounted to DM 1,190.4 million and DM 1,218.2 million, respectively.

## Inventories

Inventories are stated at the lower of cost or market (market being the lower of replacement cost or realizable value). Cost generally represents average cost as to production companies and first-in, first-out cost as to sales companies. A total of DM 463.4 million of inventories, mostly foreign, are priced on the last-in, first-out basis. The current replacement cost thereof amounted to DM 586.8 million. Net income in 1974 was reduced by DM 70.2 million as result of changes to the last-in, first-out method.

## Cash and Cash Items

Marketable securities are carried at cost or market value, whichever is lower.



Cash is summarized as follows:

	million DM	
	December 31,	
	1975	1974
Time deposits	623.8	557.5
Cash on hand and demand deposits	194.7	239.0
	818.5	796.5

#### Balance arising from Consolidation

The difference between the cost of acquisition of a subsidiary and the BASF share in its equity at the time of acquisition is shown as balance arising from consolidation. The portion applicable to foreign subsidiaries is being amortized. A further reduction of DM 122.0 million in 1974 resulted from write-downs of investments in certain consolidated companies as consequence of a permanent diminution of value. The increase in 1975 in the balance arising from consolidation resulted mainly from the inclusion of the Knoll group.

#### Paid-in Capital

Paid-in capital includes the total of capital stock of BASF Aktiengesellschaft and surplus. Changes in these items resulting from the issuance of shares during 1975 and information concerning conditionally authorized capital are shown in the notes to the financial statements of BASF Aktiengesellschaft.

#### Earned Surplus

The earned surplus consists of the undistributed earnings or losses of the companies included in the Group financial statements since date of acquisition, including the legal and free reserves of BASF Aktiengesellschaft which have been transferred from undistributed earnings.

#### Special Reserves and long-term Reserves

Special reserves relate primarily to deductions allowed and income deferred under German tax regulations. Other long-term reserves consist mainly of amounts provided for probable losses in connection with oil, gas and mining operations. The short-term portions of the long-term liabilities in the amount of DM 559.9 million are classified with the applicable items of current liabilities.

The interest rates of long-term bank loans are between 5 and 13 percent. The maturities of long-term liabilities from 1977 through 1980 are as follows:

	million DM
1977	642.2
1978	262.6
1979	175.9
1980	444.6

Fixed assets of approximately DM 691.9 million were pledged as collateral to the above liabilities. Each 8½% bond with a nominal value of DM 300 (smallest denomination) has 2 detachable stock warrants, granting

the right to purchase for each of these 1.05 shares of capital stock of BASF Aktiengesellschaft at a price of DM 117.60 per share or a total of up to 2,800,000 shares at a nominal value of DM 50. The right expires on May 31, 1986.

Each 6% US Dollar bond with a nominal value of 1,000 US Dollar has 3 detachable stock warrants, granting the right to purchase in the aggregate 16.8 shares of BASF Aktiengesellschaft or a total of up to 1,260,000 shares at a nominal value of DM 50. The price for 1.05 BASF shares amounts to DM 209.08. The right expires on December 15, 1980.

#### Long-term Liabilities

Bonds and promissory notes, due after one year, are summarized as follows:

	million DM	
	December 31,	
	1975	1974
BASF Aktiengesellschaft:		
8½% Bonds of 1974 with detachable stock warrants, due 1983—1986	400.0	400.0
4½% Swiss Franc Bonds of 1964, due 1977—1982	60.1	57.1
5% Debentures of 1959, due 1970—1984	20.8	24.4
7% Debentures of 1962, due 1967—1976	—	10.2
Various promissory notes at 6½—7½% interest, maturing serially 1971—1984	92.5	121.0
Subsidiaries and 50-percent-owned affiliates:		
6% US Dollar Bonds of BASF Overzee N. V. of 1969, with detachable stock warrants, due 1980	196.5	180.8
6% and 6¾% DM Debentures of BASF Holding Luxemburg S. A. of 1965, due 1971—1980, and 1967, due 1977	152.0	160.0
5½% Swiss Franc Bonds of BASF Holding Luxemburg S. A. of 1972, due 1983—1987	100.1	95.1
7½% French Franc Bonds of BASF Transatlantica S. A. of 1972, due 1974—1987	46.5	49.7
5½% Bonds of Wintershall AG of 1958, due 1969—1983	23.6	26.9
8¼% Swiss Franc Bonds of BASF Overzee N. V. of 1975, due 1985	20.0	—
Various promissory notes, insurance loans, bonds and mortgages at 6—10¼% interest, maturing serially from 1965—2000	407.5	471.1
	1,519.6	1,596.3

**Short-term Liabilities to Banks**

This caption includes short-term bank borrowings plus current maturities of long-term liabilities to banks, DM 416.9 million at December 31, 1975. In addition, the unused lines of credit aggregated DM 819.5 million at December 31, 1975. The maximum amount of short-term bank borrowings in 1975 was approximately DM 450.0 million. The weighted average effective interest rate for such borrowings as of December 31, 1975 was 12.4%.

**Research and Development**

Research and development costs are charged to operations as incurred. Such expenses amounted to DM 568.1 million in 1975 and DM 472.6 million in 1974, not including the costs for the patent administration and scientific documentation departments.

**Pension Plans**

In accordance with legal requirements, employees are covered by compulsory insurance laws. Employees of certain companies are entitled to pensions provided by company agreements. The costs of these plans amounted to DM 565.7 million in 1975. The costs amounted to DM 844.3 million for the previous year, which included DM 267.7 million from the change in the actuarial basis for computing pension reserves to the discounted value method (Teilwertmethode).

**Income Taxes**

Income tax is provided at tax rates prescribed by local tax statutes, taking into account any loss carry-forwards.

**Source and Application of Funds**

Source and application of funds of the BASF Group is shown under the heading "Business in 1975" on pages 4 and 5.

**Contingent Liabilities and Commitments**

There are various pending legal actions arising in normal business operations for which adequate provisions have been made. Also in the ordinary course of business, the companies have incurred contractual commitments pursuant to terms of leases and other contracts or pension plans, etc., and are contingently liable as guarantor or endorser of notes and contracts. Adequate provision has been made for any losses which may be reasonably foreseen. At December 31,

1975, German companies were liable for an equalization of burdens property levy (a liability resulting from the equalization of war damages), payable in quarterly installments of DM 4.3 million through 1979.





Ludwigshafen Works, the complex and its environs

# 1975 Financial Statement

## BASF Aktiengesellschaft and Consolidated German Subsidiaries

### Consolidated Balance Sheet as of December 31, 1975

Assets	Dec. 31, 1975 DM	Dec. 31, 1974 TDM
<b>I. Fixed Assets</b>		
<b>A. Tangible and Intangible</b>		
1. Real estate and equivalent rights with office, factory and other buildings	1,128,261,583	1,073,674
2. Real estate and equivalent rights with residential buildings	196,772,528	202,193
3. Real estate and equivalent rights without buildings	132,027,261	132,840
4. Buildings on land not owned by Group companies and which do not come under (1) or (2)	24,870,108	21,760
5. Machinery, plant and equipment	1,877,081,774	1,783,020
6. Office equipment	255,483,438	227,471
7. Plant under construction and advances for plant	391,550,020	374,866
8. Concessions, industrial property rights, and similar rights and licenses under such rights	9,698,899	16,656
	4,015,745,611	3,832,480
<b>B. Investments</b>		
1. Affiliated companies	2,102,520,980	2,063,220
2. Securities	985,265	959
3. Loans for a term of at least four years (DM 63,150,495 secured by mortgages on real estate)	89,489,638	86,584
	2,192,995,883	2,150,763
<b>C. Balance arising from Consolidation</b>	332,501,155	251,438
	6,541,242,649	6,234,681
<b>II. Current Assets</b>		
<b>A. Products on Lease</b>	24,443,882	20,560
<b>B. Inventories</b>	1,888,825,699	2,009,900
<b>C. Uncompleted Contracts</b>	108,393,191	160,802
<b>D. Other Current Assets</b>		
1. Advances paid	28,119,339	21,265
2. Accounts receivable — trade (DM 19,176,260 with a residual term of more than one year)	1,678,888,120	1,793,895
3. Bills receivable (DM 20,859,080 rediscountable at the Federal Bank)	117,560,228	72,158
4. Checks	583,568	—
5. Cash on hand, balances at the Federal Bank and in postal checking accounts	4,426,871	5,627
6. Cash in banks (DM 2,828,216 committed)	315,287,321	691,566
7. Securities	97,559,870	93,783
Subtotal items 3—7: cash and cash items	535,417,858	863,134
8. Receivables from affiliates	369,756,076	286,363
9. Receivables resulting from loans granted under or according to (a) § 89 AktG (corporation law)	22,567,825	16,852
(b) § 115 AktG (corporation law)	24,700	34
	22,592,525	16,886
10. Other current assets	149,548,098	193,795
	4,805,984,788	5,366,600
<b>III. Deferred Charges and Prepaid Expenses</b>		
1. Discounts	938,478	1,210
2. Others	8,715,763	7,426
	9,654,241	8,636
	11,356,881,678	11,609,917



		Dec. 31, 1975 DM	Dec. 31, 1974 TDM
<b>Capital and Liabilities</b>			
<b>I. Capital Stock</b>		<b>1,723,306,600</b>	<b>1,640,991</b>
Conditional capital DM 296,863,450			
<b>II. Surplus including Consolidated Profit*</b>			
1. Capital surplus		<b>1,304,393,796</b>	<b>1,304,394</b>
2. Earned surplus including consolidated profit		<b>1,259,576,481</b>	<b>1,229,533</b>
		<b>2,563,970,277</b>	<b>2,533,927</b>
<b>Equity of BASF Aktiengesellschaft and its Consolidated Subsidiaries:</b>		<b>4,287,276,877</b>	<b>4,174,918</b>
* of which: statutory reserve of BASF Aktiengesellschaft DM 1,109,275,471			
free reserve of BASF Aktiengesellschaft DM 916,000,000			
consolidated profit DM 236,929,259			
<b>III. Minority Interests</b>			
1. Capital		<b>143,606,857</b>	<b>112,499</b>
2. Profit		<b>9,296,410</b>	<b>7,482</b>
3. Loss		<b>(30,374,125)</b>	<b>(4,019)</b>
		<b>(21,077,715)</b>	<b>3,463</b>
		<b>122,529,142</b>	<b>115,962</b>
<b>IV. Special Reserves</b>		<b>358,701,992</b>	<b>329,163</b>
(according to § 6b and § 7c EStG (income tax law), section 35 EStR (income tax regulations), § 74 EStDV (income tax directive), § 1 EntwStG (developing countries tax law), § 3 AuslinvG (foreign investment law), § 18 law covering minimum inventories of petroleum products)			
<b>V. General Reserves for Accounts Receivable</b>		<b>58,641,431</b>	<b>64,768</b>
<b>VI. Accruals</b>			
1. Pension		<b>1,365,551,191</b>	<b>1,166,413</b>
2. For postponed maintenance work		<b>19,690,500</b>	<b>10,978</b>
3. Others		<b>1,251,512,473</b>	<b>1,137,484</b>
		<b>2,636,754,164</b>	<b>2,314,875</b>
<b>VII. Liabilities for a Term of at least Four Years</b>			
1. Bonds		<b>520,632,000</b>	<b>534,720</b>
(DM 36,900,000 secured by mortgages)			
2. Debentures		<b>166,150,000</b>	<b>202,850</b>
(DM 55,150,000 secured by mortgages)			
3. Liabilities to banks		<b>657,407,272</b>	<b>767,168</b>
(DM 175,195,894 secured by mortgages)			
4. Equalization of Burdens Property Levy		<b>12,649,849</b>	<b>16,141</b>
5. Loans from social and welfare funds		<b>253,880,090</b>	<b>240,399</b>
(DM 25,460,329 secured by mortgages)			
6. Others		<b>67,749,123</b>	<b>85,784</b>
(DM 65,697,871 secured by mortgages)			
Items 1—6 comprise DM 658,993,951 due within less than four years		<b>1,678,468,334</b>	<b>1,847,062</b>
<b>VIII. Other Liabilities</b>			
1. Accounts payable-trade		<b>783,712,017</b>	<b>1,043,040</b>
2. Liabilities from the issue of bills		<b>71,481,000</b>	<b>100,259</b>
3. Liabilities to banks		<b>72,949,405</b>	<b>89,220</b>
4. Advances received		<b>130,632,386</b>	<b>164,273</b>
5. Amounts payable to affiliated companies		<b>582,636,951</b>	<b>886,604</b>
6. Others		<b>572,322,585</b>	<b>478,840</b>
		<b>2,213,734,344</b>	<b>2,762,236</b>
<b>IX. Deferred Income</b>		<b>775,394</b>	<b>933</b>
		<b>11,356,881,678</b>	<b>11,609,917</b>
1. Liabilities from the issue and endorsement of bills		<b>403,991,614</b>	<b>453,388</b>
2. Liabilities from guarantees		<b>889,608,129</b>	<b>833,184</b>
3. Liabilities from warranties		<b>56,428,386</b>	<b>51,806</b>
4. Liabilities from the granting of collateral security for third parties' liabilities		<b>2,578,716</b>	<b>3,156</b>
Present value of the Equalization of Burdens Property Levy		<b>54,152,173</b>	<b>68,445</b>
Quarterly amount of the Equalization of Burdens Property Levy		<b>4,472,592</b>	<b>4,418</b>

# BASF Aktiengesellschaft and Consolidated German Subsidiaries

## Statement of Consolidated Income

### for the Year Ended December 31, 1975

	1975		1974	
	DM	DM	TDM	TDM
1. Sales	14,195,734,623		15,751,987	
2. Cost of materials (including changes in inventories) and other charges (net) not shown separately below	8,813,341,455	5,382,393,168	9,730,316	6,021,671
		5,382,393,168		6,021,671
3. Income from profit transfer agreements from companies not consolidated	14,295,067		45,015	
4. Income from subsidiaries and affiliates (non-consolidated)	121,820,512		51,165	
5. Income from other investments	1,854,584		2,332	
6. Other interest and similar income	81,690,713		109,872	
7. Valuation adjustments of plant property and investments	2,387,261		11,215	
8. Reversal of accruals	56,804,028		54,519	
9. Other income	223,037,654	501,889,819	156,504	430,622
		5,884,282,987		6,452,293
10. Wages and salaries	2,710,330,872		2,607,363	
11. Compulsory social security	387,999,612		340,952	
12. Pensions and assistance	256,200,864		586,686	
13. Depreciation on tangible and intangible fixed assets	775,249,959		794,447	
14. Write-downs and other valuation adjustments of investments	84,178,793		57,082	
15. Write-offs on the investment values of consolidated companies	2,014,229		103,821	
16. Interest and similar expenses	215,807,573		262,414	
17. Taxes				
a) on income and property	408,789,368		672,508	
b) others	694,742,434	1,103,531,802	572,701	
18. Equalization of Burdens Property Levy	16,600,577		16,712	
19. Transfer of losses of affiliates not consolidated	39,976,536		26	
20. Other mandatory profit distributions under agreement	107,482	5,591,998,299	185	6,014,897
21. Net income for the year		292,284,688		437,396
22. Loss carryforward		4,457,721		6,002
		287,826,967		431,394
23. Transfers from surplus reserves		182,555		—
		288,009,522		431,394
24. Transfers to surplus reserves				
a) in the individual financial statements	63,974,194		103,667	
b) in the consolidated financial statements	8,183,784	72,157,978	29,254	132,921
		215,851,544		298,473
25. Minority interests in income	9,296,410		7,482	
26. Minority interests in losses	30,374,125	21,077,715	4,019	3,463
27. Profit		236,929,259		295,010

The statement of accounts and the report to shareholders follow all legal requirements according to our obligatory examination.

Stuttgart, April 13, 1976

**Schitag**  
**Schwäbische Treuhand-Aktiengesellschaft**  
Wirtschaftsprüfungsgesellschaft —  
Steuerberatungsgesellschaft  
(Certified Public Accountants — Tax Consultants)

Dr. Frey  
Certified Public Accountant

ppa. Dr. Nauss  
Certified Public Accountant



# Notes to the 1975 Financial Statements of BASF Aktiengesellschaft and its Consolidated German Subsidiaries

The subsidiaries of BASF Aktiengesellschaft and their subsidiaries included in the consolidation in 1975 are listed on pages 28, 29 and marked accordingly.

Any subsidiaries of BASF Aktiengesellschaft that have not been mentioned specifically in this report, are not material in relation to the consolidated financial position and operations.

<i>Subsidiaries not included in the consolidation because of their minor significance according to § 329 (2), sentence 2, AktG (corporation law):</i>	Nominal Capital TDM	Percent of Ownership
Subsidiaries of BASF Aktiengesellschaft, Ludwigshafen:		
— BASF Handels- und Exportgesellschaft mbH, Ludwigshafen *	3,000	100 <sup>1</sup>
— BASF Terratec GmbH, Ludwigshafen *	20	100 <sup>1</sup>
— Gewerkschaft Breitenbach, Ludwigshafen mining shares	100	100 <sup>1</sup>
— Dr. Wolman GmbH, Sinzheim	660	73.18 <sup>2</sup>
Subsidiaries of BASF Farben + Fasern AG, Hamburg:		
— BASF Fasertechnik GmbH, Hamburg *	100	100 <sup>4</sup>
— Glasurit GmbH, Hamburg *	100	100 <sup>4</sup>
— Herbol GmbH, Cologne *	100	100 <sup>4</sup>
— Kast + Ehinger GmbH, Stuttgart *	100	100 <sup>4</sup>
— G. Siegle + Co. GmbH, Stuttgart *	100	100 <sup>4</sup>
— Wings GmbH, Wuppertal	300	100 <sup>2</sup>
Subsidiary of BASF Handels- und Export-Gesellschaft mbH, Ludwigshafen:		
— TENSID-CHEMIE Vertriebsgesellschaft mbH, Düren	100	60 <sup>2</sup>
Subsidiary of Chemikalien-Aktiengesellschaft, Frankfurt/Main:		
— Land- und Forstflug Aviochemie GmbH, Münster	50	100 <sup>2</sup>
Subsidiaries of Gewerkschaft Auguste Victoria, Marl:		
— Gewerkschaft Röchling, Marl * mining shares	1,000	100 <sup>2</sup>
— Kohlen-Handelsgesellschaft Auguste Victoria oHG, Marl	—	100 <sup>1**</sup>
Subsidiary of Guano-Werke Aktiengesellschaft, Hamburg:		
— Kali-Gesellschaft mbH, Hamburg	40	61.25 <sup>3</sup>
Subsidiaries of Kali und Salz AG, Kassel:		
— BM-Chemie Produktions- und Vertriebsgesellschaft mbH, Münster-Handorf	20	100 <sup>2</sup>
— Bohr- und Bergbaugesellschaft Ems mbH, Hanover	20	75 <sup>2</sup>
— Deutscher Straßen-Dienst H. Dauppert GmbH, Kassel *	20	100 <sup>2</sup>
— Gewerkschaft Beienrode, Königslutter mining shares	5,000	89.92 <sup>2</sup>
— Gewerkschaft Salz-Jerxheim, Hanover mining shares	100	74.0 <sup>1</sup>
— Kali-Forschungs-Anstalt GmbH, Hanover	20	90 <sup>2</sup>
— Kali-Transport Gesellschaft mbH, Hamburg *	4,000	100 <sup>2</sup>
— Kali-Union Verwaltungsgesellschaft mbH, Hanover	1,500	100 <sup>2</sup>
— Montangesellschaft mbH, Cologne *	1,155	100 <sup>2</sup>
— Wohnbau Salzdetfurth GmbH, Bad Salzdetfurth *	3,500	100 <sup>2</sup>

(continued on following page)

\* profit transfer agreement with parent company

\*\* including the holdings of other BASF Group companies

<sup>1</sup> inactive companies

<sup>2</sup> companies with insignificant operations, having no effect on the consolidated financial position

<sup>3</sup> non-profit purchasing companies with insignificant assets

<sup>4</sup> managing companies

(continued from preceding page)	Nominal Capital TDM	Percent of Ownership
Subsidiary of Knoll AG, Chemische Fabriken, Ludwigshafen: — SCHI-WA Arzneimittelwerk GmbH, Bad Laer	6,020	79.93 <sup>2</sup>
Subsidiaries of Nordmark-Werke GmbH, Hamburg: — IFAH GmbH, Hamburg*	20	100 <sup>1</sup>
— Stormarn-Verlag GmbH, Uetersen*	5	100 <sup>2</sup>
— Täberg Grundstücks-Gesellschaft mbH, Hamburg*	1,330	100 <sup>2</sup>
— Vitamultina Pharmazeutische Präparate GmbH, Hamburg	20	100 <sup>1</sup>
Subsidiaries of Wintershall AG, Celle/Kassel: — Erdöl-Raffinerie Franken GmbH, Eggolsheim*	8,500	100 <sup>2</sup>
— Gewerkschaft Uchte, Uchte*	mining shares 100	100 <sup>2</sup>
— Gewerkschaft Ummendorf, Kassel	mining shares 100	100 <sup>2**</sup>
— Mineralöl-Lager- und Transport- Gesellschaft mbH, Kassel	10,020	100 <sup>2</sup>
— Untertage-Speicher-Gesellschaft mbH, Nordenham	20,000	100 <sup>2**</sup>
Subsidiary of Dr. Wolman GmbH, Sinzheim: — Holzimprägnierung für Bergbau und Industrie GmbH, Sinzheim*	20	100 <sup>2</sup>
<i>Subsidiaries not included in the consolidation because their inclusion would impair the value of disclosures in the statement in view of the social activities of these companies, in accordance with § 329 (2), sentence 3, AktG (corporation law):</i>		
(In accordance with the by-laws of these companies a distribution of net assets to the owners is not permitted in case of liquidation.)		
Subsidiaries of BASF Aktiengesellschaft, Ludwigshafen: — BASF-Altershilfe GmbH, Ludwigshafen	20	100 <sup>**</sup>
— GEWOGE Gemeinnütziges Wohnungsunter- nehmen GmbH, Ludwigshafen	30,000	97
Subsidiary of Nordmark-Werke GmbH, Hamburg: — Unterstützungskasse „Nordmark-Werke“ GmbH, Uetersen	20	100

#### *Changes in companies included in the consolidation*

The balance sheets as of December 31, 1975 and the income statements as of October 1, 1975 (date of acquisition) of Knoll AG, Chemische Fabriken, Ludwigshafen, and its subsidiaries Chemische Werke Minden GmbH, Minden, and Transpharm GmbH, Ludwigshafen, as well as the financial statements of MR Kunststofftechnik GmbH, Diepholz, and MR Kunststofftechnik GmbH & Co. KG, Diepholz, acquired by Elastogran GmbH, Lemförde, are included in the consolidation for the first time in 1975. BASF Handels- und Export-Gesellschaft mbH, Ludwigshafen, is for the first time not included, since it is an inactive company having no effect on the consolidated financial position. Technische Akustik GmbH, Lemförde, was transferred to Elastogran Polyurethan-Systeme GmbH, Osnabrück. Technische Akustik GmbH & Co., Lemförde, was dissolved.

#### *Added information*

Among the companies not included in the consolidation of BASF Aktiengesellschaft and its consolidated subsidiaries only BASF Canada Ltd. incurred major losses totaling Can. \$ 4.8 million.

\* profit transfer agreement with parent company

\*\* including the holdings of other BASF Group companies

<sup>1</sup> inactive companies

<sup>2</sup> companies with insignificant operations, having no effect on the consolidated financial position



## Consolidated Balance Sheet

The consolidated data represent largely the activities of BASF Aktiengesellschaft; for this reason we refer to the Notes to the Financial Statements of BASF Aktiengesellschaft. Thus the following describes only matters relating to consolidation. Inter-company profits as well as sales, expenses and earnings between the consolidated companies were eliminated. That applies also for receivables from and liabilities to companies included in the consolidation.

### Balance arising from consolidation

is the difference between the value of acquisition of subsidiaries and the respectively attributable equity, including profit or loss, at the date of acquisition. It represents the net balance of debit and credit excesses. It relates to the acquired good will amounts, less the respective interim depreciation, the reserves and optional valuation methods as permitted by German corporation law, used for the acquisition of subsidiaries by issuance of shares.

### Capital stock and surplus reserves

The *capital surplus* comprises the premium allocated to the legal reserve and the reserve resulting from the decartelization of IG Farbenindustrie Aktiengesellschaft. The *earned surplus* includes the reserves of BASF Aktiengesellschaft, having been transferred from earnings, and the earned, but undistributed earnings of the companies included in the consolidation after the date of their acquisition.

**Contingent liabilities not shown in the balance sheet**, including collateral given for consolidated companies, relate principally to BASF Aktiengesellschaft (see Notes to the respective Statements).

Gewerkschaft Auguste Victoria has a contingent liability for obligations of various cooperative ventures of the mining industry.

Wintershall AG gave throughput guarantees to Société du Pipe-Line Sud-Européen (SPLSE) and to Deutsche Transalpine Ölleitung GmbH and is liable for unpaid subscriptions

of partners according to § 24 GmbH-Gesetz (law for limited liability companies).

## Statement of Consolidated Income

*Write-offs of investments* represent essentially a write-off by Canapol of its holding in BASF Canada Ltd.

*Other taxes* relate primarily to taxes on petroleum products to be paid by Wintershall.

*Net income for the year* consists of the net income of the companies included in the consolidation less consolidation adjustments.

The *loss carryforward* represents profits and losses carried forward of the included companies after the date of their acquisition and consolidation adjustments.

*Transfers to surplus reserves* result from the individual Financial Statements of BASF Aktiengesellschaft, Wintershall AG and its consolidated subsidiaries, BASF Farben + Fasern AG and Knoll AG. Furthermore, they result, within the consolidation, from the redemption of losses carried forward of the companies included in the consolidated financial statements.

*Minority interests in net income* comprise minority interests in the net income of COMPO GmbH, Guano-Werke Aktien-Gesellschaft, Kali und Salz AG, Elastogran Polyurethan-Systeme GmbH & Co. and Knoll AG. *Minority interests in losses* relate to the minority interests in losses of Erdöl-Raffinerie Mannheim GmbH.

# 1975 Financial Statement

## Balance Sheet of BASF Aktiengesellschaft as of December 31, 1975

Assets	Dec. 31, 1975 DM	Dec. 31, 1974 TDM
<b>I. Fixed Assets</b>		
<b>A. Tangible and Intangible</b>		
1. Real estate and equivalent rights with office, factory and other buildings	735,923,292	725,199
2. Real estate and equivalent rights with residential buildings	2,982,013	3,006
3. Real estate and equivalent rights without buildings	99,235,375	101,379
4. Buildings on land not owned by BASF Aktiengesellschaft not included in (1) or (2)	2,030,671	2,097
5. Machinery, plant and equipment	1,366,206,098	1,302,684
6. Office equipment	146,426,123	122,882
7. Plant under construction and advances for plant	255,062,447	302,199
8. Concessions, industrial property rights, and similar rights and licenses under such rights	1	[1.—]
	<b>2,607,866,020</b>	<b>2,559,446</b>
<b>B. Investments</b>		
1. Affiliated companies	2,672,113,424	2,462,575
2. Loans for a term of at least four years (DM 32,431,907 secured by mortgages)	41,312,199	39,967
	<b>5,321,291,643</b>	<b>5,061,988</b>
<b>II. Current Assets</b>		
<b>A. Products on Lease</b>	<b>24,443,882</b>	<b>20,560</b>
<b>B. Inventories</b>		
1. Raw materials and supplies	317,030,854	358,313
2. Finished products, goods for resale	760,531,002	825,195
	<b>1,077,561,856</b>	<b>1,183,508</b>
<b>C. Uncompleted Contracts</b>	<b>109,676,804</b>	<b>160,912</b>
<b>D. Other Current Assets</b>		
1. Advances paid	20,441,755	12,238
2. Accounts receivable — trade (DM 17,768,630 with a residual term of more than one year)	945,087,654	1,094,989
3. Notes receivable (DM 8,233,796 rediscountable at the Federal Bank)	98,273,870	41,213
4. Cash on hand	472,027	495
5. Cash in banks (DM 2,578,716 committed)	229,045,717	553,134
6. Securities	85,628,424	82,876
Subtotal items 3—6: cash and cash items	413,420,038	677,718
7. Accounts receivable from affiliates	511,026,562	553,137
8. Receivables resulting from loans granted under § 89 AktG (corporation law)	9,087,651	3,885
9. Other current assets	35,074,691	105,025
	<b>3,145,820,893</b>	<b>3,811,972</b>
<b>III. Deferred Charges and Prepaid Expenses</b>	<b>3,056,996</b>	<b>2,510</b>
	<b>8,470,169,532</b>	<b>8,876,470</b>



<b>Capital and Liabilities</b>	<b>Dec. 31, 1975 DM</b>	<b>Dec. 31, 1974 TDM</b>
<b>I. Capital Stock</b>	<b>1,723,306,600</b>	<b>1,640,991</b>
Conditional capital DM 296,863,450		
<b>II. Surplus Reserves</b>		
1. Statutory reserves	<b>1,109,275,471</b>	<b>1,109,276</b>
2. Free reserve	<b>876,000,000</b>	<b>796,000</b>
Transfer from net income	<b>40,000,000</b>	<b>80,000</b>
	<b>916,000,000</b>	<b>876,000</b>
	<b>2,025,275,471</b>	<b>1,985,276</b>
<b>III. Special Reserves</b>	<b>192,043,743</b>	<b>172,095</b>
as provided in § 7 c EStG (income tax law), § 74 EStDV (income tax directive), section 35 EStR (income tax regulations), § 6 b EStG and § 1 EntwStG (developing countries tax law)		
<b>IV. General Reserves for Accounts Receivable</b>	<b>42,638,000</b>	<b>44,942</b>
<b>V. Accruals</b>		
1. Pension	<b>934,941,213</b>	<b>851,057</b>
2. For postponed maintenance work	<b>10,000,000</b>	<b>10,000</b>
3. Others	<b>609,266,797</b>	<b>619,159</b>
	<b>1,554,208,010</b>	<b>1,480,216</b>
<b>VI. Liabilities for a Term of at least Four Years</b>		
1. Bonds		
a) 7% Bonds of 1962/76 (DM 10,000,000 secured by mortgages)	<b>10,200,000</b>	<b>20,400</b>
b) 4½ % Swiss Francs Bonds of 1964/82	<b>60,132,000</b>	<b>57,120</b>
c) 5% Bonds of 1959/84	<b>23,400,000</b>	<b>27,000</b>
d) 8½ % Bonds with warrants attached of 1974/86	<b>400,000,000</b>	<b>400,000</b>
	<b>493,732,000</b>	<b>504,520</b>
2. Debentures (DM 10,000,000 secured by mortgages)	<b>121,000,000</b>	<b>149,500</b>
3. Liabilities to banks (DM 10,114,000 secured by mortgages)	<b>394,126,410</b>	<b>418,293</b>
4. Loans from BASF Pension Fund	<b>228,419,761</b>	<b>217,668</b>
5. Others	<b>687,695</b>	<b>1,039</b>
Of the amounts included in items 1—5 DM 423,167,960 are due within less than four years	<b>1,237,965,866</b>	<b>1,291,020</b>
<b>VII. Other Liabilities</b>		
1. Accounts payable — trade	<b>454,395,977</b>	<b>649,005</b>
2. Notes payable	<b>45,781,000</b>	<b>75,794</b>
3. Liabilities to banks	<b>5,566,500</b>	<b>6,978</b>
4. Advances received	<b>124,097,542</b>	<b>160,237</b>
5. Payables to affiliates	<b>543,228,193</b>	<b>861,718</b>
6. Others	<b>288,711,953</b>	<b>229,168</b>
	<b>1,461,781,165</b>	<b>1,982,900</b>
<b>VIII. Profit available for Dividend</b>	<b>232,950,677</b>	<b>279,030</b>
	<b>8,470,169,532</b>	<b>8,876,470</b>
1. Liabilities from the issue and endorsement of bills	<b>334,865,818</b>	<b>406,048</b>
2. Liabilities from guarantees	<b>813,246,520</b>	<b>798,826</b>
3. Liabilities from warranties	<b>3,607,000</b>	<b>6,294</b>
4. Liabilities from the granting of collateral security for third parties' liabilities	<b>2,578,716</b>	<b>3,156</b>
Present value of the Lastenausgleichs-Vermögensabgabe (Equalization of Burdens Property Levy)	<b>32,289,446</b>	<b>41,316</b>
Quarterly amount of the Lastenausgleichs-Vermögensabgabe (Equalization of Burdens Property Levy)	<b>2,667,109</b>	<b>2,667</b>

# Balance Sheet of BASF Aktiengesellschaft as of December 31, 1975

	Jan. 1, 1975	Additions	Valuation adjustments	Transfers Additions = + Reductions = ( )
Changes in Fixed Assets	DM	DM	DM	DM
<b>A. Tangible and Intangible</b>				
1. Real estate and equivalent rights with office, factory and other buildings	725,198,720	53,124,932	—	+ 37,200,169
2. Real estate and equivalent rights with residential buildings	3,005,692	57,058	—	+ 84,592
3. Real estate and equivalent rights without buildings	101,378,709	6,610,329	—	(7,343,770)
4. Buildings on land not owned by BASF Aktiengesellschaft, not included in (1) or (2)	2,097,569	280,364	—	+ 355,222
5. Machinery, plant and equipment	1,302,684,029	258,814,697	—	+ 223,697,216
6. Office equipment	122,882,432	68,151,508	—	+ 20,745,255
7. Plant under construction and advances for plant	302,199,372	237,906,846	—	(274,738,684)
8. Concessions, industrial property rights, and similar rights and licenses under such rights	1	—	—	—
	2,559,446,524	624,945,734	—	—
<b>B. Investments</b>				
1. Affiliated companies	2,462,574,883	311,553,986	—	—
2. Loans for a term of at least four years (DM 32,431,907 secured by mortgages)	39,967,079	11,586,644	1,614,658	—
	5,061,988,486	948,086,364	1,614,658	—



Deductions (Retirements)	Depreciation	Dec. 31, 1975
DM	DM	DM
1,446,570	78,153,959	735,923,292
—	165,329	2,982,013
1,409,893	—	99,235,375
282,791	419,693	2,030,671
15,938,453	403,051,391	1,366,206,098
2,299,316	63,053,756	146,426,123
—	10,305,087	255,062,447
—	—	1
21,377,023	555,149,215	2,607,866,020
93,110,466	8,904,979	2,672,113,424
8,856,476	2,999,706	41,312,199
123,343,965	567,053,900	5,321,291,643

# Statement of Income of BASF Aktiengesellschaft for the Year Ended December 31, 1975

	1975		1974	
	DM	DM	TDM	TDM
1. Sales	8,393,807,700		10,157,246	
2. Decrease in inventories of finished and semifinished goods and products on lease	64,684,655	8,329,123,045	+ 315,476	10,472,722
3. Other company-manufactured capitalized items		166,456,177		171,812
4. Total		8,495,579,222		10,644,534
5. Cost of raw materials, supplies and purchased merchandise not shown separately below		4,024,172,352		5,065,937
6. Balance (gross profit)		4,471,406,870		5,578,597
7. Income from profit transfer agreements	11,477,631		35,237	
8. Income from affiliates	133,920,231		57,609	
9. Income from other investments	178,478		381	
10. Other interest and similar income	76,050,840		98,557	
11. Gains from sale of plant property and equipment and valuation adjustments	6,660,075		6,951	
12. Gains from the decrease of general reserves for accounts receivable	2,304,000		—	
13. Reversal of accruals	43,137,587		34,991	
14. Transfers from special reserves	1,528,353		2,720	
15. Other income	67,823,591		59,125	
DM 11,854,746 non-recurring		343,080,786	[10,347]	295,571
		4,814,487,656		5,874,168
16. Wages and salaries	1,779,432,619		1,738,352	
17. Compulsory social security	223,562,713		195,806	
18. Pensions and assistance	181,543,263		482,889	
19. Depreciation on tangible fixed assets	555,149,215		578,610	
20. Write-downs and other valuation adjustments of investments	11,904,685		121,954	
21. Valuation adjustments on current assets other than inventories	17,028,270		35,160	
22. Losses on retirement of fixed assets	31,900,417		14,864	
23. Interest and similar expenses	172,972,453		225,119	
24. Taxes				
a) on income and property	272,959,393		526,131	
b) others	13,643,102		13,465	
	286,602,495		539,596	
25. Equalization of Burdens Property Levy	10,668,434		10,669	
26. Transfer of losses of affiliates	119,169,108		24,240	
27. Transfer to special reserves	21,477,052		118,693	
28. Other expenses	1,130,187,754	4,541,598,478	1,429,222	5,515,174
29. Net income for the year		272,889,178		358,994
30. Profit carryforward at beginning of year		61,499		36
		272,950,677		359,030
31. Transfer to free reserves		40,000,000		80,000
32. Profit available for dividend		232,950,677		279,030

Pension paid including payments to legally independent pension funds

a) paid in 1975 DM 84,370,200

b) anticipated in the next five years: 106 percent, 110 percent, 114 percent, 118 percent, 121 percent of the amount specified under (a)

The statement of accounts and the report to shareholders follow all legal requirements according to our obligatory examination.

Stuttgart, April 13, 1976

**Schitag**

**Schwäbische Treuhand-Aktiengesellschaft**

Wirtschaftsprüfungsgesellschaft —

Steuerberatungsgesellschaft

(Certified Public Accountants — Tax Consultants)

Dr. Frey

Certified Public Accountant

ppa. Schneck

Certified Public Accountant



# Notes to the 1975 Financial Statements of BASF Aktiengesellschaft

## Balance Sheet

### ASSETS

#### 1. Fixed Assets

##### A. Tangible and Intangible Fixed Assets

1.—7. *Property, plant and equipment* is stated at acquisition or production costs reduced by regular depreciation and special write-offs. In addition to material and wages, the construction costs for plants built by ourselves include costs of the allocated overheads of the production sector and the straight-line depreciation. In general, movable property is depreciated under the declining balance method, immovable property under the straight-line method. The declining balance method is used for movable property and, as far as permitted under the tax law, switched to the straight-line method when appropriate. Acquisition or production costs of assets of low value are written off as incurred. Property, plant and equipment increased DM 48.4 million to DM 2,607.9 million. Retirements comprise mainly residual book values of fixed assets scrapped or sold. Depreciation of property, plant and equipment, which reflects maximum benefits permitted by tax regulations, consists of:

Regular depreciation:	million DM
Declining balance method	320.0
Straight-line method	146.2
Write-offs of low-value assets	14.6
	<u>480.8</u>

Special write-offs:	million DM
Protection of water and air environment	48.8
Transfer of gains on sales in accordance with § 6 b EStG (income tax law)	0.9
Other special write-offs	24.6
	<u>74.3</u>
Total	555.1

Depreciation of additions, including transfers from plant under construction, consists of:

	Additions and Transfers DM	Depreciation DM
1. Real estate and equivalent rights with office, factory and other buildings	82,347,499	12,414,823
2. Real estate and equivalent rights with residential buildings	141,650	7,025
3. Real estate and equivalent rights without buildings	6,811,800	—
4. Buildings on land not owned by BASF Aktiengesellschaft and not included in (1) and (2) above	635,586	83,155
5. Machinery, plant and equipment	481,962,377	95,520,085
6. Office equipment	89,878,660	26,969,141
7. Plant under construction and advances for plant	(36,831,838)	3,370,183
	<u>624,945,734</u>	<u>138,364,417</u>
8. The <i>intangible fixed assets</i> are stated, as heretofore, at the nominal value of DM 1.		

#### B. Investments

1. *Investments in affiliated companies* are stated at cost of acquisition or at the lower value permissible under German tax regulations and consist exclusively of subscriptions actually paid.

Changes consist of:

##### Additions, Germany

	DM
Acquisition	
Knoll AG, Chemische Fabriken, Ludwigshafen	158,590,612
Versicherungs-Holding der Deutschen Industrie GmbH, Bielefeld	3,000,000
Capital increases	809,500
	<u>162,400,112</u>

##### Additions, Abroad

Founded	
BASF de El Salvador S.A. de C.V., San Salvador	52,277
Capital increase	
BASF AG. & Co. Gesellschaft m.b.H., Vienna	2,693,155
BASF Brasileira S.A., Indústrias Químicas, São Paulo / E.S.P.	24,532,317
BASF de Costa Rica S.A., San José	100,010
BASF Japan Ltd., Tokyo	13,237,670
BASF South Africa (Pty.) Ltd., Johannesburg	692,122
Subtotal	<u>41,307,551</u>

Amount brought forward	41,307,551
EURANE-Européenne du Polyuréthane S.A., Paris	7,198,000
LUChem Corporation, New York	57,108,000
Others	126,876
Transfers of affiliated companies of BASF Holding-AG, Zurich, to BASF Aktiengesellschaft in the course of realignment of consolidation	43,413,447
	<u>149,153,874</u>
Total additions	<u>311,553,986</u>

Retirements relate to the capital decrease (repayment of capital) of BASF Holding-AG, Zurich, the transfer of our holding in Mitsui Badische Dyes Ltd. (MBD), Tokyo, to BASF Japan Ltd., Tokyo, and the sale of our interest in EURANE-Européenne du Polyuréthane S. A., Paris. In addition, they include the decrease in the book values of affiliated companies due to unpaid subscriptions already carried as assets.

Write-offs cover necessary adjustments of investment values of the Biosedra group and some smaller affiliates because of the unfavorable earnings situation of the companies. 2. *Loans for a term of at least four years* are predominantly loans for housing. The non-interest bearing

loans are carried at the present value; value adjustments are made in connection with valuing of these loans.

## **II. Current Assets**

### **A. Products on Lease**

Such goods are valued at acquisition or production costs or at a lower value as permitted by tax laws.

### **B. Inventories**

The decrease in inventories by DM 105.9 million compared to the preceding year is attributable to measures providing for a reduction of tied capital.

1. *Raw materials and supplies* are valued at the lower of cost or market. Adequate provision has been made for obsolescence.

Reductions permitted under tax regulations have been made.

2. *Finished products and goods for resale* have been valued at production or purchase cost, however, not in excess of realizable value less an allowance for storage and an average profit margin. Production costs are based on the normal capacity of the production plants and include, in addition to the actual production costs, the allocated overheads of the respective production centers, based on tax requirements, and the allocated straight-line depreciation on plant and equipment. Provisions for sales risks and obsolescence have been adequately taken into account.

### **C. Uncompleted Contracts**

Uncompleted contracts comprise expenditures incurred for plant construction undertaken by us for others at home and abroad. They are valued at the lower of acquisition cost or market.

## **D. Other Current Assets**

2. The decrease in *accounts receivable — trade* is largely due to lower sales. In business abroad the average grace period was somewhat longer than last year. Valuation adjustments for special risks have been taken into account.

3. *Notes receivable* consist principally of foreign drafts with terms of more than 90 days in general. They are carried at cash value and have been secured against risks.

5. *Cash in banks* represents balances payable on demand.

6. Our portfolio of *securities* consists entirely of fixed-interest bearing papers. They are carried at the lower of cost or market.

7. *Accounts receivable from affiliates* include accounts receivable-trade, interest and non-interest bearing loans, investment-like loans and notes receivable.

9. *Other current assets* are substantially accounts receivable from short-term loans, deferred claims on interest discounts, refunds and advances. The decrease is mainly attributable to lower accounts receivable from agency sales as well as to the loss transfer from Rheinische Olefinwerke GmbH, Wesseling, pursuant to the profit / loss transfer agreement.

## **III. Deferred Charges and Prepaid Expenses**

This item relates primarily to prepaid insurance and interest.

## **CAPITAL AND LIABILITIES**

### **I. Capital Stock**

On September 17, 1975, the capital stock was increased by DM 81,771,250 from authorized capital by the issue of 1,635,425 bearer shares at a nominal value of DM 50.— each. They are entitled to dividend as of October 1, 1975. These new shares were issued to Deutsche Bank AG at an issue price of DM 50.— per share in exchange for the contribution in kind of equity shares in the total nominal value of DM 21,587,250 and preferred shares in the total nominal value of DM 961,850 of Knoll AG, Chemische Fabriken, Ludwigshafen.

To continue the satisfaction of compensation claims of former Wintershall shareholders in connection with the inclusion of Wintershall AG, DM 50.— shares in the total nominal value of DM 544,300 were issued from conditionally authorized capital. Consequently, the entire capital stock totals DM 1,723,306,600.

The conditional capital totals DM 296,863,450. It is reserved for the option rights of the holders of the US \$ 75 million bond of BASF Overzee N.V. as well as for the conversion rights of the bonds with warrants attached of 1974/86, and for the continuation of the Wintershall transaction. It further includes the conditional capital reserved for the conversion rights of the convertible bonds of 1964 which were redeemed in full in 1974. The conditional capital will be released upon noncontinuation of the condition.

The authorized capital totals DM 186,228,750.

The Board of Executive Directors is authorized to increase the capital stock by the issue of new shares in this amount against contributions in money or kind until June 1, 1978 with approval of the Supervisory Board. The Board of Executive Directors is entitled to overrule the legal subscription privilege of shareholders.

### **II. Surplus Reserves**

2. The *free reserve* was increased by DM 40 million by transfers from income.



### III. Special Reserves

The special reserves consist of the following amounts:

	million DM
Valuation adjustments on non-interest bearing loans granted prior to January 1, 1955, according to § 7 c EStG (income tax law)	2.5
Deferred gains resulting from settlements of damage claims as permitted under section 35 EStR (income tax regulations)	0.9
Reserves for price increases as permitted under § 74 EStDV (income tax directive)	154.2
Allowances for capital investments in developing countries, as permitted under § 1 Entwicklungshilfe-Steuer-gesetz (development aid tax law) or Entwicklungsländer-Steuer-gesetz (developing countries tax law)	32.0
Deferred gains realized on sales under § 6 b EStG (income tax law)	2.4
	192.0

### V. Accruals

1. *Accruals for pensions* have been computed on an actuarial basis according to the discounted value method and are deemed to be amply sufficient.

3. *Miscellaneous accruals* are made for risks in sales and purchases, for lawsuits, as well as for other obligations and taxes.

The accruals are deemed to be amply sufficient.

### VI. Liabilities with a Term of at Least Four Years

1.—3. The decrease in these liabilities results from regular redemptions.

1.—5. Current maturities of *liabilities for a term of at least four years* amount to about DM 73 million.

### VII. Other Liabilities

1. *Accounts payable-trade* decreased by DM 194.6 million compared to the preceding year.

2. *Notes payable* in the amount of DM 45.8 million (previous year DM 75.8 million) relate entirely to financing of third parties' facilities abroad.

4. *Advances received* consist primarily of partial payments on uncompleted facilities (uncompleted contracts) being built by us at home and abroad.

5. *Payables to affiliates* comprise accounts payable-trade, advances received and other liabilities. The decrease is primarily attributable to the repayment of loans.

6. *Other liabilities* comprise accounts payable for wages and salaries, social security, valuation adjustments on interest, sales in behalf and on account of third parties and loss transfer as well as miscellaneous short-term liabilities.

The increase is largely attributable to settlements in agent business and the loss transfer under the profit / loss transfer agreement with Rheinische Olefinwerke GmbH, Wesseling.

Liabilities are carried at the amounts at which they are payable except for higher DM carrying values, resulting from foreign currency translations in prior years which have not been changed.

### Contingent Liabilities

*Liabilities from the issue and endorsement of bills* have decreased by DM 71.2 million.

*Liabilities from guarantees* were higher by DM 14.4 million. Guarantees granted have been entered into mainly on behalf of affiliated companies.

*Liabilities from warranties* relate to guarantees given for loans of BASF Group companies.

*Liabilities from the granting of collateral security for third parties' liabilities* mainly concern bank deposits earmarked for procuring foreign currency loans.

Contingent liabilities not shown in the balance sheet, including collateral given for own liabilities, consist of

	DM	previous year million DM
Securities pledged to BASF Employees' Health Insurance, nominal value	10,323,100	4.4
Assignment of accounts receivable as collateral to notes payable	45,781,000	75.8
Other liabilities stated under VII secured by mortgages	5,566,500	4.8
Unpaid stock subscriptions not yet called	11,567,774	—

In addition, at the date of the balance sheet, contingent liabilities and commitments existed resulting from the provisions of Regulation No. 8 (pensions) of the Allied High Commission Law No. 35, from § 24

GmbH-Gesetz (law for limited liability companies) relating to unpaid stock subscription to Aktionsgemeinschaft Deutsche Steinkohlenreviere GmbH, as well as from legal liabilities according to § 322, section 1, AktG (corporation law) due to the integration of Wintershall AG and due to the temporary integration of Herbol-Werke Herbig-Haarhaus AG, according to § 327, section 4, AktG (corporation law).

Total remuneration of the members of the Board of Executive Directors according to § 160 (3) No. 8 AktG (corporation law) amounts to DM 3,983,914 for the fiscal year 1975; the remuneration of the members of the Board of Executive Directors as legal representatives of our affiliates amounted to DM 70,000.

Total remuneration of the former members of the Board of Executive Directors and their surviving dependents, including (in accordance with Regulation No. 8 (pensions) of the Allied High Commission Law No. 35) pensions and payments payable to former members and surviving dependents of the Board of Executive Directors of I.G. Farbenindustrie Aktiengesellschaft, amounted to DM 3,877,423 for 1975.

Total remuneration of the Supervisory Board amounts to DM 391,000 (exclusive of turnover tax).

# Statement of Income

1.—6. Sales were 17.4 percent lower than last year, the *total* 20.2 percent. Costs of raw materials and supplies decreased 20.6 percent, the *balance* (gross profit) 19.8 percent.

7. *Income from profit transfer agreements* results primarily from the transfer of the net income of Nordmark-Werke GmbH, Hamburg.

8. *Income from affiliates* relates to dividends paid by:

	million DM
Röhm GmbH, Darmstadt	3.5
Wintershall AG, Celle/Kassel	28.2
BASF Antwerpen N.V., Antwerp	29.2
LUCHER Corporation, New York	66.0
BASF Española S.A., Barcelona	1.9
BASF Chemiewerte-AG, Zurich	1.6
and other affiliated companies	3.5

15. *Other income* includes principally revenue items not directly related to operations, transfers of taxes in accordance with profit transfer agreements and governmental and legal subsidies received for expenditures in research and development in 1974, as well as realized gains on foreign currency accounts receivable or payable.

16. *Wage and salary* expenses increased by DM 41.1 million.

17. *Compulsory social security* contributions rose by DM 27.8 million.

18. Expenses for *pensions and assistance* relate principally to current pension payments, contributions to the BASF Employees' Pension Fund as well as to BASF Altershilfe GmbH, and accruals for pension obligations. In 1974 additional accruals in the amount of DM 226.4 million had been made for pension obligations due to the legally required change in the computation method. This has to be taken into account in comparing 1974/1975 values.

19.—20. *Depreciation on tangible fixed assets and write-downs and valuation adjustment on investments* have been explained in the notes to fixed assets.

21. *Valuation adjustments on current assets other than inventories and general reserves for accounts receivable* apply primarily to uncollectable and to doubtful accounts receivable. The decrease mainly results from lower transfers for credit risks in connection with the decline in accounts receivable.

22. *Losses on retirement of fixed assets* are mainly attributable to scrapping of plant and equipment due

to technical developments and the sale of our holding in EURANE — Européenne du Polyuréthane S.A., Paris.

24. *Taxes on income and property* comprise DM 9.6 million assumed from Group companies and DM 84.5 million taxes on property and similar taxes including adjustments for previous years.

24. The *other taxes* consist primarily of oil and automobile taxes.

26. *Transfer of losses of affiliates* relates to BASF Handels- und Exportgesellschaft mbH, Ludwigshafen, Canapol Chemie-Beteiligungsgesellschaft mbH, Ludwigshafen, LUWOGGE Wohnungsunternehmen GmbH, Ludwigshafen, and Rheinische Olefinwerke GmbH, Wesseling. Compared to the preceding year the considerable increase is attributable largely to the higher loss transfer from Canapol to offset a write-down on its holding in BASF Canada Ltd., Montreal, due to a considerable decline in value, as well as to the loss transfer from Rheinische Olefinwerke GmbH, Wesseling.

28. *Miscellaneous other expenses* include wages paid for labor and cost of repairs performed by outside contractors, shipping and freight charges, rents and leases, license fees, agency expenses, advertising expenses, bank charges, insurance premiums, fees, contributions, etc. and costs of transactions not directly related to operations (see item 15) which have not been shown separately.

29.—32. From the *net income* DM 40,000,000 were transferred to the free reserve, leaving a *profit available for dividend* of DM 232,950,677

We propose to distribute from such a profit a dividend of DM 7.00 per share of the nominal value of DM 50.00.

If the proposal is accepted, the dividend payable in the

year under review on — stock fully entitled to dividend

of DM 1,641,535,350 will be DM 229,814,949

— stock entitled to 1/4th of the dividend (as of Oct. 1, 1975) of DM 81,771,250

will be DM 2,861,994 leaving an undistributed profit of DM 273,734

We propose that the undistributed amount be carried forward.

Ludwigshafen, April 13, 1976

**The Board of Executive Directors**



# BASF Aktiengesellschaft Ten-Year-Summary

million DM	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
<b>Sales and Earnings</b>										
Sales <sup>1</sup>	3,440	3,670	4,057	4,516	4,860	5,200	5,921	6,905	10,157	8,394
Income before taxes	501	507	674	660	469	448	618	703	896	557
Taxes	254	247	336	306	162	219	341	402	537	284
Net income	247	260	338	354	307	229	277	301	359	273
<b>Assets</b>										
Tangible and intangible fixed assets	2,331	2,235	2,149	2,385	2,600	2,390	2,270	2,373	2,559	2,608
Investments	685	916	1,155	1,834	1,912	2,028	2,421	2,524	2,503	2,713
<b>Fixed Assets</b>	3,016	3,151	3,304	4,219	4,512	4,418	4,691	4,897	5,062	5,321
Inventories, uncompleted contracts and products on lease	615	610	561	727	787	860	818	861	1,365	1,212
Receivables and other current assets <sup>2</sup>	572	688	832	1,188	1,340	1,270	1,156	1,528	1,727	1,481
Cash and cash items	364	357	418	437	556	569	599	686	678	413
<b>Current Assets</b> (including deferred charges)	1,551	1,655	1,811	2,352	2,683	2,699	2,573	3,075	3,770	3,106
<b>Total</b>	4,567	4,806	5,115	6,571	7,195	7,117	7,264	7,972	8,832	8,427
<b>Capital and Liabilities</b>										
Capital stock	1,148	1,178	1,198	1,328	1,500	1,513	1,526	1,541	1,641	1,723
Reserves	1,187	1,279	1,303	1,428	1,779	1,797	1,825	1,901	1,905	1,985
Retained earnings for the year	17	24	75	62	—	2	50	55	80	40
Dividend	230	236	263	292	307	227	229	246	279	233
<b>Equity Capital</b>	2,582	2,717	2,839	3,110	3,586	3,539	3,630	3,743	3,905	3,981
<b>Special Reserves</b>	6	5	8	18	20	24	22	56	172	192
Accruals	436	466	605	618	575	608	799	872	1,481	1,554
Liabilities for a term of at least four years	896	939	990	1,894	2,075	2,172	1,952	1,712	1,291	1,238
Other liabilities	647	679	673	931	939	774	861	1,589	1,983	1,462
<b>Total Liabilities</b>	1,979	2,084	2,268	3,443	3,589	3,554	3,612	4,173	4,755	4,254
<b>Total</b>	4,567	4,806	5,115	6,571	7,195	7,117	7,264	7,972	8,832	8,427
<b>Capital Expenditures and Depreciation</b>										
Expenditure on tangible fixed assets	606	385	362	663	725	315	385	620	784	625
Depreciation and retirements	435	481	448	455	510	525	505	517	597	576

<sup>1</sup> Since 1968 without turnover tax

<sup>2</sup> After valuation adjustments

## **Report of the Supervisory Board**

During the period under review the Supervisory Board has maintained constant surveillance over the management of the Company's affairs by meeting regularly with the Board of Executive Directors and reviewing its written and verbal reports.

The Supervisory Board has examined the Financial Statements, the Annual Report of BASF Aktiengesellschaft and Consolidated German Subsidiaries, the Annual Report of BASF Aktiengesellschaft and the proposal for the appropriation of net income. The books, the Financial Statements, the Annual Report of BASF Aktiengesellschaft and its Consolidated German Subsidiaries and the Annual Report of BASF Aktiengesellschaft, have been examined by Schwäbische Treuhand-Aktiengesellschaft, the auditors appointed by the Annual Meeting, and have been given unqualified confirmation.

Having concluded our own examination we concur with the auditors and see no grounds for objections.

We have approved the Financial Statements drawn up by the Board of Executive Directors, which is thus final, and concur with the proposal of the Board of Executive Directors regarding the appropriation of net income.

Ludwigshafen, April 28, 1976

**The Supervisory Board**



## Supervisory Board

Professor Dr. phil. nat. Bernhard Timm,  
Heidelberg  
*Chairman*

Professor Dr. phil. h.c. Hans L. Merkle,  
Stuttgart  
*Deputy Chairman*  
*Chairman of the Board of Executive*  
*Directors of Robert Bosch GmbH*

Dr. jur. Josef Rust, Kassel  
*Deputy Chairman*  
*State Secretary (ret.)*

Rudi Bauer, Ludwigshafen  
*Chairman of the Works Councils of*  
*BASF Aktiengesellschaft*

Professor Dr. rer. nat. Manfred Eigen,  
Göttingen  
*Director of the Max Planck Institute*  
*for Biophysical Chemistry in Göttingen*

Dr. jur. Hans Feith, Frankfurt/Main  
*Member of the Board of Executive*  
*Directors of Deutsche Bank AG*

Dr. rer. pol. Johan M. Goudswaard,  
Wassenaar, Netherlands  
*Deputy Chairman of the Board of*  
*Executive Directors of Unilever N. V.*

Dr. jur. Wolfgang Heintzeler,  
Heidelberg

Kurt Herrmann, Ludwigshafen  
*Deputy Chairman of the Works Council*  
*of the Ludwigshafen Works of*  
*BASF Aktiengesellschaft*

Alfred Hoffmann, Marl  
*Deputy Chairman of the Works*  
*Councils of Gewerkschaft Auguste*  
*Victoria*

Dr. rer. pol. Kurt Hohenemser,  
Frankfurt/Main  
*Member of the Board of Executive*  
*Directors of the Deutsche Schutzver-*  
*einigung für Wertpapierbesitz e. V.*  
*(Registered German Association for*  
*the Protection of Owners of Securities)*

Dr. jur. Robert Holzach, Zumikon,  
Switzerland  
*Director General of Schweizerische*  
*Bankgesellschaft (Union Bank of*  
*Switzerland)*

Heinrich Kemmler, Ludwigshafen  
*Director of the Ludwigshafen Region*  
*for the Industriegewerkschaft Chemie-*  
*Papier-Keramik (Chemical, Paper and*  
*Ceramics Industries Union)*

Dr. rer. nat. Hans Joachim Langmann,  
Jugenheim/Bergstraße  
*Chairman of the Partners' Council and*  
*the Board of Executive Directors of*  
*E. Merck*

Willi Schüler, Lengers near  
Bad Hersfeld  
*Chairman of the Works Councils of*  
*Kali und Salz AG*

## Board of Executive Directors

Professor Dr. rer. nat.  
Matthias Seefelder  
*Chairman*

Dr. rer. nat. Hans Moell  
*Deputy Chairman*  
*Basic Chemicals, Oil and Gas,*  
*Agricultural Chemicals*

Dr. rer. nat. Hans Albers  
*Dyestuffs, Chemicals, Dispersions*

Dr. rer. pol. Ernst Denzel  
*Finance*

Dr. jur. Friedrich Dribbusch  
*Personnel*

Professor Dr.-Ing. Berthold Frank  
*Engineering*

Dr.-Ing. Erich Henkel  
*Overseas Operations*

Professor Dr.-Ing. Horst Pommer  
*Research*

Dr. rer. nat. Herbert Willersinn  
*Plastics and Fibers*

Hans Joachim Witt  
*Consumer Products, Sales*  
*Coordination and Distribution*

## Managing Directors

Prof. Dr. rer. nat. Ernst Biekert  
*Pharmaceuticals*  
 Dr. jur. Hans-Albrecht Bischoff  
*Labor relations*  
 Dr.-Ing. Günter Bogenstätter  
*Project engineering and construction*  
 Dr. phil. Karl Buchholz  
*Central planning*  
 Dr. rer. nat. Otto Christmann  
*Dyestuffs and auxiliaries*  
 Dr. phil. nat. Günther Daumiller  
*Chemicals*  
 Dr. rer. nat. Hans Detzer  
*Central planning*  
 Christian Erasmí  
*Polyolefines*  
 Dr. rer. nat. Hans Friz  
*Research/Basic chemicals*  
 Dr. rer. nat. Rudolf Gäth  
*Applications technology / Plastics coordination*  
 Dr. rer. nat. Wolfgang Huber  
*Personnel (Ludwigshafen)*  
 Dr. rer. nat. Wolfgang Jentzsch  
*Coatings*  
 Dr. rer. nat. Kurt Jockers  
*Basic chemicals*  
 Dr. rer. pol. Heinrich Jonas  
*Accounting*  
 Dr. rer. nat. Horst Kerber  
*Fibers*  
 Dr. rer. nat. Klaus Kinkel  
*Basic chemicals*  
 Dr. jur. Helmut Kraft  
*Latin America*  
 Dr. rer. nat. Hans Lautenschlager  
*Chemicals*  
 Dr.-Ing. Karl Mahler  
*Magnetic recording media and Nyloprint*  
 Dr. rer. nat. Horst Metzger  
*Crop protection*  
 Dr. rer. nat. Manfred Minsinger  
*Specialty plastics*  
 Dr. oec. publ. Ernst Mühling  
*Distribution*  
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*Petroleum products*  
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*Environmental protection and industrial safety*  
 Dr. phil. Hans Joachim Pistor  
*North America*  
 Dr. rer. nat. Heinz Pohlemann  
*Research/Plastics*  
 Dr. rer. nat. Friedrich Pyzik  
*Special colors*  
 Dr. rer. nat. Werner Reif  
*Research/Main laboratory*

Wolfgang Ritter  
*Legal affairs, taxes and insurance*  
 Dr. rer. nat. Norbert Rudolphi  
*Dispersions*  
 Dr. rer. nat. Karl Schuhmann  
*Refineries*  
 Frohdhin Schuster  
*Sales coordination*  
 Prof. Dr.-Ing. Richard Sinn  
*Technical development*  
 Dr. rer. nat. Helmut Thurn  
*Magnetic recording media and Nyloprint*  
 Dr. rer. pol. Karl-Heinz Tillmann  
*Fertilizers*  
 Prof. Dr. rer. nat. Tim H. Toepel  
*Research coordination*  
 Dr.-Ing. Karl August Wetjen  
*Engineering and maintenance (Ludwigshafen)*  
 Dr. rer. nat. Gernot Winter  
*Polystyrene, PVC*  
 Heinz Wüstefeld  
*Central purchasing*  
 Dr. rer. pol. Robert Zinser  
*South and East Asia, Australia*

## Department Directors

Dipl.-Ing. Hugo Aldinger  
 Dr. phil. nat. Theo Ankel  
 Edgar Beck  
 Günter Becker  
 Lutz Beckers  
 Bernt Berghäuser  
 Dr. rer. nat. Erhard Borchers  
 Dr. rer. nat. Fritz Brunnmüller  
 Dr. rer. nat. Karl Burger  
 Dr.-Ing. Jürgen Busch  
 Dr. rer. nat. Günter Cramer  
 Dipl.-Kfm. Klaus Deichner  
 Dr.-Ing. Heinz Detlef Dibbern  
 Dr. rer. nat. Dieter Dorsch  
 Dipl.-Kfm. Friedrich Edel  
 Dipl.-Ing. Heinrich Feldhoff  
 Dr. rer. nat. Herbert Friederich  
 Prof. Dr. rer. nat. Heinz Gerrens  
 Helmut Glassen  
 Dr. rer. nat. Norbert Götz  
 Dr. rer. nat. Otto-A. Grosskinsky  
 Dipl.-Ing. Hans Günther  
 Bernhard Hardekopf  
 Dr.-Ing. Heinz Hauser  
 Dr. rer. nat. Otto Hertel  
 Dr. phil. nat. Herwig Hoffmann  
 Dipl.-Ing. Friedrich Hofherr  
 Prof. Dr. rer. pol. Rolf Hofmann  
 Dr. rer. nat. Heinz Hohenschutz  
 Prof. Dr. rer. nat. Hermann Kienitz  
 Dr. agr. Edmund Köhler  
 Dr. rer. nat. Josef F. Kohnle  
 Dipl.-Chem. Alwin Konrad  
 Dr. rer. nat. Hans-Harald Kopper

Dr.-Ing. Wolfgang Kost  
 Kay Kruse  
 Dipl.-Ing. Heinz Kühner  
 Dipl.-Kfm. Richard Kuhn  
 Dr. rer. nat. Heinz Lange  
 Dr. rer. nat. Dietrich Lausberg  
 Dr. oec. Hans-Karl Lobenwein  
 Dr. agr. Jakobus Heinrich Lüttmer  
 Dr. rer. nat. Herbert Maisack  
 Dipl.-Ing. Theo Marré  
 Dr. rer. nat. Peter Metzenthin  
 Dr.-Ing. Franz-Friedrich Miller  
 Dr. rer. nat. Heinz Müller-Tamm  
 Karl Münch  
 Dr.-Ing. Otto Nagel  
 Dr. phil. nat. Werner Nieswandt  
 Dr. rer. nat. Karl Opp  
 Dr. rer. nat. Ernst Penning  
 Dr. jur. Klaus Pohle  
 Dr. rer. nat. Ernst Raber  
 Dr. rer. nat. Paul Raff  
 Dr. rer. pol. Anny Reichl  
 Dr. rer. nat. Hans Reinhard  
 Dr. rer. nat. Rudi-Heinz Rotzoll  
 Dr. rer. nat. Georg Schnell  
 Dipl.-Kfm. Karlheinz Schöler  
 Dr.-Ing. Hans-Hellmuth Schönborn  
 Dr. jur. Gerhard Schornack  
 Wolfgang Schwer  
 Dr. phil. Peter Siebel  
 Dr. rer. nat. Jens-Peter Siegfriedt  
 Prof. Dr. rer. nat. Heinz Spähn  
 Dr. rer. nat. Erhard Stahnecker  
 Dr. rer. nat. Karl Stange  
 Dr. rer. nat. Reinhard Steinmetz  
 Dr. rer. nat. Walter Stilz  
 Dr. rer. nat. Erich Stöckl  
 Hans Joachim Stolley  
 Dr. rer. nat. Hans-Jürgen Sturm  
 Hans-Werner von Stutterheim  
 Günter Taege  
 Dipl.-Ing. Karl-Heinz Teichgräber  
 Dr.-Ing. Eckart Titzenthaler  
 Hubertus von Tobien  
 Hans-Jochen Verseemann  
 Dr. rer. nat. Hermann Weßlau  
 Dipl.-Kfm. Gerhard Wolf  
 Dipl.-Volkswirt Hinrich Würdemann  
 Dr. rer. nat. Albrecht Würz  
 Hubert Wydra

As of December 31, 1975





